2 October 2024

KESKO CORPORATION

Listing of EUR 300,000,000 3.500 per cent Senior Unsecured Green Notes due 2030

The Notes are represented by units in denomination of EUR 1,000

On 2 October 2024, Kesko Corporation (the "**Issuer**") issued senior unsecured green notes with an initial nominal amount of EUR 300,000,000 million (the "**Notes**") based on the authorisation given by the Issuer's Board of Directors on 17 September 2024. The Notes were offered for subscription in a minimum amount of EUR 100,000 through private placement processes (the "**Offering**"). Each Note bears interest at the rate of 3.500 per cent per annum. The Notes are represented by units in denomination of EUR 1,000. The Notes will be redeemed at their nominal amount on 2 February 2030 (the "**Redemption Date**"), unless the Issuer prepays, redeems or purchases and cancels the Notes in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"). This listing prospectus (the "**Prospectus**") contains information on the Offering and the Notes. This Prospectus has been prepared solely for the purpose of the admission to listing of the Notes to trading on Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") and does not constitute any offering of the Notes. The Issuer will apply for the listing of the Notes on the official list of the Helsinki Stock Exchange (the "**Listing**") immediately after approval of the Prospectus. Public trading in the Notes is expected to commence on or about 4 October 2024 under the trading code 'KESJ035030'.

The validity of this Prospectus expires when the Notes have been admitted to trading on the Helsinki Stock Exchange. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Besides filing this Prospectus with the Finnish Financial Supervisory Authority (the "**FIN-FSA**") for approval and making the listing application to the Helsinki Stock Exchange, none of the Issuer nor the Joint Lead Managers (as defined hereafter) have taken, nor will they take, any action which is intended to permit a public offer of the Notes or the distribution of this Prospectus or any other documents relating to the Notes in any other jurisdiction where any action for that purpose is required.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the applicable securities laws of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States nor to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (the "**Regulation S**")), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Investing in the Notes involves risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are described in more detail in section "*Risk Factors*" in this Prospectus.

Joint Lead Managers

Danske Bank A/S	OP Corporate Bank plc

IMPORTANT INFORMATION

This Prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**"), the Commission Delegated Regulation (EU) 2019/979, as amended, the Commission Delegated Regulation (EU) 2019/980, as amended, in application of the Annexes 8 and 16 thereof, the Finnish Securities Market Act (14.12.2012/746, as amended) (the "**Finnish Securities Market Act**") and the guidelines of the FIN-FSA. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Finland, has approved the Prospectus (journal number FIVA/2024/1488) but assumes no responsibility for the correctness of the information contained herein. The FIN-FSA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the Notes nor the Issuer. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

In this Prospectus, "**Kesko**", the "**Company**", the "**Kesko Group**" and the "**Group**" refer to Kesko Corporation and its consolidated subsidiaries, including the Issuer, except where the context may otherwise require. All references to the "**Issuer**" refer to Kesko Corporation and "**Group Companies**" to each of the Issuer and its consolidated subsidiaries from time to time.

This Prospectus has been prepared in English only. However, the summary of this Prospectus has been translated into Finnish. The Issuer is solely responsible for the correctness of Finnish language translation of the summary.

This Prospectus should be read in conjunction with all the documents which are deemed to be incorporated herein by reference and such documents form part of this Prospectus. See "*Documents Incorporated by Reference*".

Danske Bank A/S ("**Danske Bank**") and OP Corporate Bank plc ("**OP**") have acted as the joint lead managers (the "**Joint Lead Managers**") in relation to the Offering and the Listing. The Joint Lead Managers have not acted for anyone else in connection with the Offering or the Listing and will not be responsible to anyone other than the Group for providing the protections afforded to their clients nor for providing any advice in relation to the Offering, the Listing or the contents of this Prospectus.

Prospective investors should solely rely on the information contained in this Prospectus. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers. The Joint Lead Managers have not separately verified the information contained in this Prospectus. Accordingly, no representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. The Joint Lead Managers assume no responsibility, except for statutory responsibility, for the accuracy or completeness of the information and, accordingly, disclaim to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement. Delivery of this Prospectus shall not, under any circumstances, indicate that the information presented in this Prospectus is correct on any day other than the date of this Prospectus (excluding historical information), or that there would be any changes in the business of the Group after the date of this Prospectus. However, if a fault or omission is discovered in this Prospectus before the admission of the Notes for listing on the Helsinki Stock Exchange and such fault or omission may be of material importance to investors, this Prospectus shall be supplemented in accordance with the Prospectus Regulation.

This Prospectus has been prepared solely in connection with the Listing. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world. The Offering and the Notes are governed by Finnish law and any dispute arising in relation to the Offering and the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

MiFID II Product Governance / Eligible Counterparties, Professional Clients and Retail Clients Target Market

Solely for the purposes of the product governance requirements set forth in directive 2014/65/EU as amended (the "**MIFID II**"), the target market assessment made by the Issuer for the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MIFID II; and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Issuer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

EEA Retail Investors

The Notes are not PRIIPs for the purposes of Regulation ((EU) No 1286/2014) (the "**PRIIPs Regulation**") and, accordingly no key information document pursuant to the PRIIPs Regulation has or will be made available in respect of the Notes.

Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

Prohibition of sales to Russia and Belarus

Pursuant to Article 1 of the Council Decision (CFSP) 578/2022 of 8 April 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine and to Article 1 of the Council Decision (CFSP) 579/2022 of 8 April 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russia aggression against Ukraine, it shall be prohibited to sell transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such securities to any Russian or Belarusian national or natural person residing in Russia or Belarus or any legal person, entity or body established in Russia or Belarus. The prohibition of sales to Russia and Belarus applies to the Notes.

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SUMMARY

Introduction and Warnings

*This summary contains all the sections required by the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**") to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to the listing prospectus (the "**Prospectus**"). Any decision to invest in the securities issued by Kesko Corporation (the "**Issuer**" or the "**Company**" and together with its subsidiaries the "**Group**") should be based on consideration of the Prospectus as a whole by the investor.*

An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Issuer assumes civil liability in respect of this summary including translation thereof only if it is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities issued by the Issuer.

The Issuer and the securities to be listed

The identity and contact details of the Issuer are as follows:

Issuer	Kesko Corporation
Address	Työpajankatu 12, FI-00580 Helsinki, Finland
Telephone	+358 10 5311
Business identity code	0109862-8
Legal entity identifier (LEI)	743700OX6HSVMCAHPB95

The Issuer will submit a listing application to Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") for the listing of the EUR 300,000,000 notes due 2 February 2030 issued by the Issuer (the "**Notes**") on the official list of the Helsinki Stock Exchange (the "**Listing**") immediately after approval of the Prospectus. The trading code of the Notes is 'KESJ035030' and the ISIN code of the Notes is FI4000578224.

The competent authority approving the Prospectus

The Prospectus has been approved by the Finnish Financial Supervisory Authority (the "**FIN-FSA**") as the competent authority under the Prospectus Regulation on 2 October 2024. The FIN-FSA has only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation but is not liable for the correctness of the information contained therein. Approval by the FIN-FSA of the Prospectus shall not be considered as an endorsement of the Issuer that is the subject of the Prospectus. The journal number of the approval by the FIN-FSA concerning the Prospectus is FIVA/2024/1488.

The identity and contact details of the competent authority, the FIN-FSA, approving the Prospectus are as follows:

Authority	Financial Supervisory Authority
Address	P.O. Box 103, FI-00101 Helsinki, Finland
Telephone	+358 9183 51
Email address	registry@fiva.fi

Key Information on the Issuer

Who is the issuer of the securities?

The legal and commercial name of the Issuer is Kesko Corporation and it is domiciled in Helsinki, Finland. The Issuer is registered in the trade register maintained by the Finnish Patent and Registration Office under business identity code 0109862-8. The Issuer's legal entity identifier (LEI) is 743700OX6HSVMCAHPB95. The Issuer is a public limited liability company incorporated in Finland, and it is organised and operating under the laws of Finland.

Principal activities of the Issuer

Kesko is a Finnish trading sector company. Kesko operates in grocery trade, building and technical trade, and car trade. Kesko's business divisions and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko utilizes around 1,800 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland and Denmark.

Major shareholders

As of the date of the Prospectus, the Issuer's shares have been listed on the Helsinki Stock Exchange. The following table sets forth the five (5) largest shareholders of the Issuer with their respective ownership participation percentage and number of shares owned as at 31 August 2024:

Shareholder	Number of series A shares	Number of series B shares	Number of shares in total	Proportion of shares %	Proportion of votes %
K-retailers' Association	21,795,509	-	21,795,509	5.45	14.13
Ilmarinen Mutual Pension Insurance Company....................	13,760,000	-	13,760,000	3.44	8.92
Vähittäiskaupan Takaus Oy........	13,195,008	-	13,195,008	3.30	8.55
Elo Mutual Pension Insurance Company	405,725	5,652,000	6,057,725	1.51	0.63
Varma Mutual Pension Insurance Company....................	-	5,978,944	5,978,944	1.49	0.39
Others...	77,791,786	261,500,036	339,291,822	84.81	67.38
Total..	**126,948,028**	**273,130,980**	**400,079,008**	**100.00**	**100.00**

No shareholder of the Issuer has control over the Company as referred in Chapter 2, Section 4 of the Finnish Securities Market Act (746/2012, as amended) (the "**Finnish Securities Market Act**"). The Issuer is not aware of any events or arrangements that may affect the exercise of control in the Issuer in the future.

Key management and auditor of the Issuer

The table below presents the members of the Company's Board of Directors as at the date of this Prospectus:

Name	Year of Birth	Position	Board member since
Esa Kiiskinen	1963	Chair	2009
Peter Fagernäs	1952	Deputy Chair	2018
Jannica Fagerholm	1961	Board Member	2016
Pauli Jaakola	1973	Board Member	2024
Piia Karhu	1976	Board Member	2018
Jussi Perälä	1970	Board Member	2021
Timo Ritakallio	1962	Board Member	2021

The table below presents the members of Kesko's Group Management Board as at the time of this Prospectus:

Name	Year of Birth	Position	Member of Group Management Board since
Jorma Rauhala	1965	President and CEO	2013
Ari Akseli	1972	President, grocery trade	2017
Sami Kiiski	1976	President, building and technical trade	2023
Johanna Ali	1977	President, car trade division	2024
Anu Hämäläinen	1965	Executive Vice President, CFO	2024
Lasse Luukkainen	1978	Executive Vice President, Legal and Sustainability	2024
Matti Mettälä	1963	Executive Vice President, Human Resources	2012
Karoliina Partanen	1977	Executive Vice President, Communications	2020

The Issuer's statutory auditor is Certified Public Audit Firm Deloitte Oy, with Jukka Vattulainen, Authorised Public Accountant, as auditor with principal responsibility. Jukka Vattulainen has been registered into the register referred to in Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended) (in Finnish: *tilintarkastuslaki*). The business address of the principal auditor and Deloitte Oy is Itämerenkatu 25, FI-00180 Helsinki, Finland.

What is the key financial information regarding the Issuer?

The following tables present selected consolidated financial information regarding the Issuer as at and for the six (6) months ended 30 June 2024, with comparative figures for the six (6) months ended 30 June 2023, and the financial year ended 31 December 2023, with comparative figures for the financial year ended 31 December 2022. The financial information presented below has been derived from the Issuer's unaudited interim report as at and for the six (6) months ended 30 June 2024 and from the Issuer's audited financial statements for the financial year ended 31 December 2023. The Issuer's unaudited consolidated interim financial information and the audited consolidated financial statements have been prepared in accordance with the IFRS.

EUR million, unless otherwise indicated	***1–6/24***	***1–6/23***	***Financial year ended 31 December 2023***	***Financial year ended 31 December 2022***
	(unaudited)		*(audited, unless otherwise indicated)*	
Net sales	5,852.9	5,932.7	11,783.8	11,809.0
EBITDA	547.4	589.6	1,232.5[1]	1,307.7[1]
Operating profit	256.4	328.9	695.4	816.5
Operating profit, comparable	277.7	333.5	712.0	815.1
Operating margin, comparable, %	4.7	5.6	6.0[1]	6.9[1]
Interest-bearing net debt	2,885.4	2,632.0	2,559.8	2,104.2
Lease liabilities	2,038.1	2,002.4	1,997.9	1,920.1
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16, rolling 12 months	1.1	0.7	0.7	0.2
Cash flow from operating activities	421.6	312.2	1,049.5	915.2
Cash flow from investing activities	-396.7	-321.5	-590.2	-344.3
Cash flow from financing activities	117.7	14.0	-492.2	-604.7
Capital expenditure	457.4	393.0	678.9[1]	449.2[1]
Gearing, %	115.1	106.7	92.8[1]	76.7[1]
Equity ratio, %	29.9	31.5	35.8[1]	36.9[1]
Return on capital employed, comparable, %, rolling 12 months	11.8	15.1	13.4	16.9

1) Unaudited.

Audit qualifications

There are no qualifications in the auditor's report pertaining to the Issuer's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022.

What are the key risks that are specific to the Issuer?

- Negative developments in consumer confidence and/or consumer spending may affect the Group's operations.
- The Group's business is subject to adverse global economic and political developments that may cause severe disruptions in the European and global economy and have an adverse effect on the Group's operations.
- Cybercrime may have an adverse effect on business continuity and may lead to a loss of critical information.
- Competition in the retail trading industry could reduce the Group's sales and operating profit.
- Delays in actions aimed at mitigating climate change and an increase in extreme weather phenomena can impact product availability and cause disturbances in logistics and the store site network.

- Measures aimed at combatting climate change may require, to some extent, the restructuring of the Group's operations, which may have a material adverse effect on the Group's financial position and business operations.
- The Group may not be able to obtain financing on competitive terms or at all, it may become in breach of covenants and its cost for financing may increase.
- Legal and regulatory requirements, changes in and non-compliance with laws and regulations or licences may have a material adverse effect on the Group's business operations.
- The Group collects and processes personal data as a part of its daily business and is exposed to risks relating to information security.

Key Information on the Securities

What are the main features of the securities?

The Notes are euro-denominated senior unsecured green notes and debt instruments of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended) (in Finnish: *velkakirjalaki*). The ISIN code of the Notes is FI4000578224. The Notes are issued in dematerialised book-entry form in the book-entry system maintained by Euroclear Finland Oy.

The Notes are represented by units in denomination of EUR 1,000 and the principal amount of each book-entry unit is EUR 1,000 (the "**Nominal Amount**"). The aggregate number of the Notes is 300,000 and the aggregate principal amount of the issued Notes is EUR 300,000,000.

The Notes were issued with an initial nominal amount of EUR 300,000,000 on 2 October 2024 (the "**Issue Date**") fully paid at an issue price of 99.317 per cent of the Nominal Amount based on the authorisation given by the Issuer's Board of Directors on 17 September 2024 in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"). The Notes were offered for subscription in a minimum amount of EUR 100,000 through private placement processes (the "**Offering**").

The Notes bear fixed interest at the rate of 3.500 per cent per annum (the "**Interest Rate**"). Interest is payable annually in arrears commencing on 2 February 2025 and thereafter annually on each 2 February (each an "**Interest Payment Date**").

Redemption and repurchase of the Notes

The Notes shall be repaid in full at their nominal principal amount on 2 February 2030 (the "**Redemption Date**"), unless the Issuer has prepaid or redeemed the Notes prior to the Redemption Date in accordance with conditions "Voluntary Total Redemption", "Clean-up Call Option", "Change of Control" or "Events of Default".

the Issuer may, at any time having given, not less than fifteen (15) nor more than sixty (60) calendar days' notice (an "**Optional Redemption Notice**") to the holders of the Notes (the "**Noteholders**"), redeem all, but not part of the aggregate principal amount of the Notes issued on the relevant date (the "**Optional Redemption Date**") at a redemption amount equal to:

(i) in the case of an Optional Redemption Date occurring before the date falling three (3) months prior to the Redemption Date, the Make-Whole Redemption Amount (as defined below); or

(ii) in the case of an Optional Redemption Date occurring on or after the date falling three (3) months prior to the Redemption Date, 100 per cent of their outstanding principal amount;

in each case together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date.

"**Make-Whole Redemption Amount**" shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and mean the sum of the then present values of (i) 100 per cent of the principal amount of the Notes redeemed and (ii) the remaining interest payments from and including the Optional Redemption Date to (but excluding) the date falling three (3) months prior to the Redemption Date discounted to the relevant Optional Redemption Date on an annual basis at the discount rate of 2.5 per cent.

The calculations and determinations related to the Make-Whole Redemption Amount made by the Issuer or any party on behalf of the Issuer shall (save for manifest error) be final and binding upon all Noteholders.

If at any time the nominal principal amount of the outstanding Notes is twenty-five (25) per cent or less of the aggregate nominal amount of the Notes issued at any time, the Issuer may, at its option, at any time, by giving not less than fifteen (15) nor more than forty-five (45) calendar days' irrevocable notice, which shall specify the date fixed for redemption, to the Issuer Agent (being OP Custody Ltd at the Issue Date) and the Noteholders, elect to redeem all of the outstanding Notes, in whole but not in part, at their nominal principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption.

If, after the Issue Date, a Change of Control Event in accordance with the Terms and Conditions occurs, the Issuer shall promptly after becoming aware thereof notify the Noteholders of such Change of Control Event in accordance with condition "Notices and Right to Information", and the Issuer shall on the Prepayment Date (the date falling forty-five (45) Business Days after the publication of the notice to the Noteholders) prepay the outstanding nominal principal amount of, and the interest accrued but unpaid on, the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes to be prepaid accrues until the Prepayment Date (excluding the Prepayment Date).

If an Event of Default in accordance with the Terms and Conditions occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice by the Issuer and on the specified early repayment date. Interest on such Note accrues until the early repayment date (excluding the early repayment date). The Issuer shall notify the Noteholders of any Event of Default (and the steps, if any, taken to remedy it) in accordance with condition "Notices and Right to Information" promptly upon becoming aware of its occurrence.

Rights attached to the securities

Pursuant to the Terms and Conditions, those Noteholders who, according to the register kept by Euroclear Finland Oy in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to a meeting of Noteholders (a "**Noteholders' Meeting**") or the last day for replies in a procedure in writing among the Noteholders (a "**Procedure in Writing**") on the list of Noteholders to be provided by Euroclear Finland Oy, or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if one (1) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the fifth (5th) Business Date prior to a Noteholders' Meeting or on the last day for replies in the Procedure in Writing. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.

A Noteholders' Meeting or a Procedure in Writing is entitled to amend the Terms and Conditions or to grant a temporary waiver on the Terms and Conditions of the Notes by majority of more than 50 per cent of the votes cast. However, consent of at least 75 per cent of the amount of the votes cast in a Noteholders' Meeting or a Procedure in Writing is required to decrease the principal amount of or interest on the Notes, to extend the maturity of the Notes, to amend the requirements for the constitution of a quorum at a Noteholders' Meeting or Procedure in Writing, or to amend the majority requirements of the Noteholders' Meeting or Procedure in Writing. When consent from the Noteholders representing the requisite majority has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired. Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

Ranking of the securities

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

<u>Transferability of the securities</u>

Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

Where will the securities be traded?

The Issuer has applied for the listing of the Notes on the official list of the Helsinki Stock Exchange. Public trading of the Notes is expected to commence on or about 4 October 2024 under the trading code 'KESJ035030'.

What are the key risks that are specific to the securities?

- Investors are exposed to credit risk in respect of the Issuer and may lose their investment in the Notes in whole or in part.
- Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates.
- The Notes constitute unsecured and unguaranteed obligations of the Issuer.
- The Notes do not, as a rule, contain covenants on the Issuer's financial standing or operations and do not limit its right to merge, demerge, effect asset sales or other significant transactions that may have a material adverse effect on the Notes and the Noteholders.
- The Issuer may incur additional debt and/or grant security and/or guarantees without the consent of the Noteholders.
- The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding.

Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market

Under which conditions and timetable can I invest in this security?

Not applicable. The Prospectus has been prepared solely in connection with the Listing. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

Why is this prospectus being produced?

The Issuer has prepared and published the Prospectus in order to apply for the Notes to be admitted to trading on the official list of the Helsinki Stock Exchange.

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for financing or refinancing eligible green projects or assets or otherwise in accordance with the Company's Green Finance Framework established in May 2024. The net proceeds from the issue of the Notes were approximately EUR 297,162,300.

Material interests

Danske Bank A/S and OP Corporate Bank plc are acting as joint lead managers (the "**Joint Lead Managers**") of the Offering of the Notes. The Joint Lead Managers and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and its subsidiaries (together the "**Group**") in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Lead Managers and/or their affiliates having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

The Issuer has entered into agreements with the Joint Lead Managers with respect to certain services to be provided by the Joint Lead Managers in connection with the Offering of the Notes.

Applicable law and dispute resolution

The Offering and the Notes are governed by Finnish law and any dispute arising in relation to the Offering and the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

TIIVISTELMÄ

Johdanto ja varoitukset

*Tämä tiivistelmä sisältää kaikki Euroopan parlamentin ja Neuvoston asetuksen (EU) 2017/1129, muutoksineen (”**Esiteasetus**”) edellyttämät tiivistelmään tämän kaltaisten arvopapereiden ja liikkeeseenlaskijan yhteydessä sisällytettävät kohdat. Tätä tiivistelmää tulee lukea listalleottoesitteen (”**Esite**”) johdantona. Sijoittajan tulee perustaa Kesko Oyj:n (”**Liikkeeseenlaskija**” tai ”**Yhtiö**” ja yhdessä tytäryhtiöiden kanssa ”**Konserni**”) liikkeeseen laskemia arvopapereita koskeva sijoituspäätöksensä arvopapereihin Esitteeseen kokonaisuutena.*

Sijoittaja voi menettää arvopapereihin sijoittamansa pääoman kokonaisuudessaan tai osittain. Jos tuomioistuimessa pannaan vireille Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja saattaa sovellettavaksi tulevan lainsäädännön nojalla joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Esitteen käännöskustannuksista. Yhtiö on siviilioikeudellisessa vastuussa tästä tiivistelmästä ja sen käännöksistä vain, jos tiivistelmä luettuna yhdessä Esitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epäjohdonmukainen tai jos siinä ei luettuna yhdessä Esitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajien auttamiseksi, kun ne harkitsevat sijoittamista Yhtiön liikkeeseen laskemiin arvopapereihin.

Liikkeeseenlaskija ja listattavat arvopaperit

Liikkeeseenlaskijan yksilöinti- ja yhteystiedot ovat seuraavat:

Yhtiön nimi ……………………………......................	Kesko Oyj
Osoite……………………………………………………	Työpajankatu 12, FI-00580 Helsinki
Puhelinnumero ………………………………………...	+358 10 5311
Y-tunnus …………………………………………….	0109862-8
Oikeushenkilötunnus (LEI-tunnus) …………………..	743700OX6HSVMCAHPB95

Yhtiö tulee jättämään listalleottohakemuksen Nasdaq Helsinki Oy:lle (”**Helsingin Pörssi**”) koskien Yhtiön liikkeeseen laskemien 2.2.2030 erääntyvien 300 000 000 euron joukkovelkakirjojen (”**Velkakirjat**”) listaamista Helsingin Pörssin päälistalle (”**Listaaminen**”) välittömästi Esitteen hyväksymisen jälkeen. Velkakirjojen kaupankäyntitunnus on ’KESJ035030’ ja ISIN-tunnus FI4000578224 .

Esitteen hyväksyvä toimivaltainen viranomainen

Finanssivalvonta on Esiteasetuksen mukaisena toimivaltaisena viranomaisena hyväksynyt Esitteen 2.10.2024. Finanssivalvonta on hyväksynyt Esitteen vain siltä osin, että se täyttää Esiteasetuksen mukaiset kattavuutta, ymmärrettävyyttä ja johdonmukaisuutta koskevat vaatimukset, mutta ei vastaa siinä esitetyn tiedon todenmukaisuudesta. Finanssivalvonnan antamaa Esitteen hyväksyntää ei tule pitää osoituksena sen Liikkeeseenlaskijan hyväksynnästä, jota Esite koskee. Finanssivalvonnan Esitteen hyväksymispäätöksen diaarinumero on FIVA/2024/1488.

Toimivaltaisen viranomaisen eli Finanssivalvonnan, joka hyväksyy tämän Esitteen, yhteystiedot ovat seuraavat:

Viranomainen ………………………………………….	Finanssivalvonta
Osoite …………………………………………………..	PL 103, 00101 Helsinki
Puhelinnumero ………………………………………...	+358 9183 51
Sähköpostiosoite ………………………………………	kirjaamo@finanssivalvonta.fi

Keskeisiä tietoja Liikkeeseenlaskijasta

Kuka on arvopapereiden liikkeeseenlaskija?

Liikkeeseenlaskijan rekisteröity toiminimi on Kesko Oyj ja sen kotipaikka on Helsinki. Yhtiö on rekisteröity Patentti- ja rekisterihallituksen ylläpitämään kaupparekisteriin y-tunnuksella 0109862-8. Liikkeeseenlaskijan oikeushenkilötunnus (LEI-tunnus) on 743700OX6HSVMCAHPB95. Yhtiö on julkinen osakeyhtiö, joka on perustettu Suomessa ja jonka toimintaan sovelletaan Suomen lakia.

Liikkeeseenlaskijan pääasiallinen toiminta

Kesko on suomalainen kaupan alan yhtiö. Kesko toimii päivittäistavarakaupassa, rakentamisen ja talotekniikan kaupassa sekä autokaupassa. Keskon toimialat ja ketjut toimivat tiiviissä yhteistyössä kauppiasyrittäjien sekä muiden kumppaneiden kanssa. Keskon toimintaan kuuluu noin 1 800 kauppaa Suomessa, Ruotsissa, Norjassa, Virossa, Latviassa, Liettuassa, Puolassa ja Tanskassa.

Suurimmat osakkeenomistajat

Esitteen päivämääränä Yhtiön osakkeet on listattu Helsingin Pörssiin. Seuraavassa taulukossa luetellaan Yhtiön viisi (5) suurinta osakkeenomistajaa sekä kunkin osakkeenomistajan omistamien osakkeiden lukumäärä ja suhteellinen osuus Yhtiön kaikista osakkeista ja äänistä 31.8.2024:

Osakkeenomistaja	A-osakkeet	B-osakkeet	Osakkeet yhteensä	Osuus kaikista osakkeista %	Osuus kaikista äänistä %
K-kauppiasliitto ry	21 795 509	-	21 795 509	5,45	14,13
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	13 760 000	-	13 760 000	3,44	8,92
Vähittäiskaupan Takaus Oy	13 195 008	-	13 195 008	3,30	8,55
Keskinäinen Työeläkevakuutusyhtiö Elo	405 725	5 652 000	6 057 725	1,51	0,63
Keskinäinen Työeläkevakuutusyhtiö Varma.....	-	5 978 944	5 978 944	1,49	0,39
Muut osakkeenomistajat	77 791 786	261 500 036	339 291 822	84,81	67,38
Yhteensä......................................	**126 948 028**	**273 130 980**	**400 079 008**	**100,00**	**100,00**

Yhdelläkään Yhtiön osakkeenomistajalla ei ole arvopaperimarkkinalain (746/2012, muutoksineen) (”**Arvopaperimarkkinalaki**”) 2 luvun 4 §:n mukaista määräysvaltaa Yhtiössä. Yhtiö ei ole tietoinen mistään tapahtumista tai järjestelyistä, jotka voivat tulevaisuudessa vaikuttaa määräysvallan käyttämiseen Yhtiössä.

Johdon avainhenkilöt ja tilintarkastaja

Seuraavassa taulukossa esitetään Yhtiön hallituksen jäsenet tämän Esitteen päivämääränä:

Nimi	Syntymävuosi	Asema	Hallituksen jäsen vuodesta
Esa Kiiskinen	1963	Puheenjohtaja	2009
Peter Fagernäs	1952	Varapuheenjohtaja	2018
Jannica Fagerholm	1961	Jäsen	2016
Pauli Jaakola	1973	Jäsen	2024
Piia Karhu	1976	Jäsen	2018
Jussi Perälä	1970	Jäsen	2021
Timo Ritakallio	1962	Jäsen	2021

Seuraavassa taulukossa esitetään Yhtiön Konsernijohtoryhmän jäsenet tämän Esitteen päivämääränä:

Nimi	Syntymävuosi	Asema	Konsernijohtoryhmän jäsen vuodesta
Jorma Rauhala	1965	Toimitusjohtaja, Kesko-konsernin pääjohtaja	2013
Ari Akseli	1972	Päivittäistavarakaupan toimialajohtaja	2017
Sami Kiiski	1976	Rakentamisen ja talotekniikan kaupan toimialajohtaja	2023
Johanna Ali	1977	Autokaupan toimialajohtaja	2024
Anu Hämäläinen	1965	Talous- ja rahoitusjohtaja	2024
Lasse Luukkainen	1978	Johtaja, lakiasiat ja vastuullisuus	2024
Matti Mettälä	1963	Johtaja, henkilöstö	2012
Karoliina Partanen	1977	Viestintäjohtaja	2020

Yhtiön lakisääteinen tilintarkastaja on tilintarkastusyhteisö Deloitte Oy KHT-tilintarkastaja Jukka Vattulaisen toimiessa päävastuullisena tilintarkastajana. Jukka Vattulainen on rekisteröity tilintarkastuslain (1141/2015, muutoksineen) 6 luvun 9 pykälän mukaiseen tilintarkastajarekisteriin. Päävastuullisen tilintarkastajan ja Deloitte Oy:n liikeosoite on Itämerenkatu 25, 00180 Helsinki.

Mitä ovat Liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?

Seuraavissa taulukoissa esitetään eräitä Yhtiötä koskevia konsernin taloudellisia tietoja 30.6.2024 päättyneeltä kuudelta (6) kuukaudelta sekä vertailuluvut 30.6.2023 päättyneeltä kuudelta (6) kuukaudelta ja 31.12.2023 päättyneeltä tilikaudelta sekä vertailuluvut 31.12.2022 päättyneeltä tilikaudelta. Alla esitetyt taloudelliset tiedot on johdettu Yhtiön tilintarkastamattomasta puolivuosikatsauksesta 30.6.2024 päättyneeltä kuudelta (6) kuukaudelta sekä Yhtiön tilintarkastetusta tilinpäätöksestä 31.12.2023 päättyneeltä tilikaudelta. Yhtiön konsernin tilintarkastamaton osavuosikatsaus ja tilintarkastettu konsernitilinpäätös on laadittu IFRS:n mukaisesti.

Miljoonaa euroa, ellei toisin ilmoitettu	***1–6/24***	***1–6/23***	***1.1.-31.12.2023***	***1.1.-31.12.2022***
	(tilintarkastamaton)		*(tilintarkastettu, ellei toisin ilmoitettu)*	
Liikevaihto	5 852,9	5 932,7	11 783,8	11 809,0
Käyttökate	547,4	589,6	1 232,5[1]	1 307,7[1]
Liikevoitto	256,4	328,9	695,4	816,5
Liikevoitto, vertailukelpoinen	277,7	333,5	712,0	815,1
Liikevoitto-%, vertailukelpoinen	4,7	5,6	6,0[1]	6,9[1]
Korolliset nettovelat	2 885,4	2 632,0	2 559,8	2 104,2
Leasingvelat	2 038,1	2 002,4	1 997,9	1 920,1
Korolliset nettovelat ilman leasingvelkoja / käyttökate ilman IFRS 16 vaikutusta, liukuva 12 kk	1,1	0,7	0,7	0,2
Liiketoiminnan rahavirta	421,6	312,2	1 049,5	915,2
Investointien rahavirta	-396,7	-321,5	-590,2	-344,3
Rahoituksen rahavirta	117,7	14,0	-492,2	-604,7
Investoinnit	457,4	393,0	678,9[1]	449,2[1]
Nettovelkaantumisaste, %	115,1	106,7	92,8[1]	76,7[1]
Omavaraisuusaste, %	29,9	31,5	35,8[1]	36,9[1]
Sidotun pääoman tuotto, vertailukelpoinen, %, liukuva 12 kk	11,8	15,1	13,4	16,9

1) Tilintarkastamaton.

<u>*Tilintarkastuskertomuksen varaumat*</u>

Yhtiön 31.12.2023 ja 31.12.2022 päättyneiltä tilikausilta laadittujen tilinpäätösten tilintarkastuskertomuksissa ei ole esitetty varaumia.

Mitä ovat Liikkeeseenlaskijaan liittyvät olennaiset riskit?

- Negatiiviset kehitykset kuluttajien luottamuksessa ja/tai kulutuksessa voivat vaikuttaa Konsernin toimintaan.
- Konsernin liiketoiminta on alttiina haitallisille maailmanlaajuisille taloudellisille ja poliittisille kehityksille, jotka voivat aiheuttaa vakavia häiriöitä Euroopan ja maailman taloudessa ja vaikuttaa haitallisesti Konsernin toimintaan.
- Kyberrikollisuus voi vaikuttaa haitallisesti liiketoiminnan jatkuvuuteen ja johtaa kriittisten tietojen menetykseen.
- Vähittäiskaupan alan kilpailu voi vähentää Konsernin myyntiä ja liikevoittoa.

- Toimenpiteiden viivästyminen ilmastonmuutoksen hillitsemiseksi ja äärimmäisten sääilmiöiden lisääntyminen voivat vaikuttaa tuotteiden saatavuuteen ja aiheuttaa häiriöitä logistiikassa ja myymäläverkostossa.
- Ilmastonmuutoksen torjuntaan tähtäävät toimenpiteet voivat vaatia jossain määrin Konsernin toiminnan uudelleenjärjestelyä, mikä voi vaikuttaa merkittävän haitallisesti Konsernin taloudelliseen asemaan ja liiketoimintaan.
- Konserni ei välttämättä pysty saamaan rahoitusta kilpailukykyisin ehdoin tai lainkaan, se voi rikkoa kovenantteja ja sen rahoituskustannukset voivat nousta.
- Oikeudelliset ja sääntelyvaatimukset, lakien ja määräysten tai lupien muutokset ja noudattamatta jättäminen voivat vaikuttaa merkittävän haitallisesti Konsernin liiketoimintaan.
- Konserni kerää ja käsittelee henkilötietoja osana päivittäistä liiketoimintaansa ja on alttiina tietoturvariskeille.

Keskeiset tiedot arvopapereista

Mitkä ovat arvopapereiden keskeiset ominaisuudet?

Velkakirjat ovat euromääräisiä velkakirjalain (622/1947, muutoksineen) 34 §:n 1 momentin tarkoittamia joukkovelkakirjoja. Velkakirjojen ISIN-tunnus on FI4000578224. Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n ylläpitämässä arvo-osuusjärjestelmässä.

Velkakirjojen arvo-osuuden yksikkökoko on 1 000 euroa ja kunkin Velkakirjan nimellisarvo on 1 000 euroa (”**Nimellisarvo**”). Velkakirjoja on laskettu liikkeeseen yhteensä 300 000 kappaletta ja Velkakirjojen ulkona oleva kokonaisnimellisarvo on 300 000 000 euroa.

Velkakirjat laskettiin liikkeeseen 300 000 000 euron nimellisarvossa 2.10.2024 (”**Liikkeeseenlaskupäivä**”) täysin maksettuina emissiohintaan, joka on 99,317 prosenttia Nimellisarvosta, Liikkeeseenlaskijan hallituksen 17.9.2024 antaman valtuutuksen perusteella Velkakirjojen lainaehtojen mukaisesti (”**Lainaehdot**”). Velkakirjoja tarjottiin merkittäväksi suunnatussa tarjousmenettelyssä 100 000 euron vähimmäismerkintähintaan (”**Tarjous**”).

Kullekin Velkakirjalle maksetaan kiinteää korkoa 3,500 prosenttia vuosittain (”**Korko**”). Korkoa maksetaan vuosittain tasaerinä 2.2.2025 alkaen ja sen jälkeen kunakin vuonna 2.2. (kukin ”**Koronmaksupäivä**”).

<u>*Velkakirjojen lunastus ja takaisinosto*</u>

Velkakirjat maksetaan takaisin koko nimellisarvoonsa 2.2.2030 (”**Lunastuspäivä**”), ellei Liikkeeseenlaskija ole maksanut takaisin tai lunastanut Velkakirjoja Lainaehtojen ehtojen ”Voluntary Total Redemption”, ”Clean-up Call Option”, ”Change of Control” tai ”Events of Default” mukaisesti.

Liikkeeseenlaskija voi milloin tahansa annettuaan ilmoituksen vähintään viisitoista (15) ja enintään kuusikymmentä (60) kalenteripäivää etukäteen (”**Vapaaehtoisen Lunastuksen Ilmoitus**”) velkakirjojen haltijoille (”**Velkakirjanhaltijat**”) lunastaa kaikki, muttei osaa, liikkeeseen laskettujen Velkakirjojen yhteenlasketusta pääomasta tiettynä päivämääränä (”**Vapaaehtoinen Lunastuspäivä**”) lunastusmäärään, joka vastaa

(i) Vapaaehtoisen Lunastuspäivän ollessa päivämääränä, joka on yli kolme (3) kuukautta ennen Lunastuspäivää, Täyden Hyvityksen Lunastusmäärää (kuten määritelty alla); tai

(ii) Vapaaehtoisen Lunastuspäivän ollessa kolme kuukautta ennen Lunastuspäivää tai myöhemmin 100 prosenttia ulkona olevasta pääomasta;

molemmissa tapauksissa kyseessä olevaan Vapaaehtoiseen Lunastuspäivään asti (mutta ei mukaan lukien) kertyneen mutta maksamattoman koron kanssa.

”**Täyden Hyvityksen Lunastusmäärä**” lasketaan Liikkeeseenlaskijan tai Liikkeeseenlaskijan nimeämän henkilön toimesta ja tarkoittaa summaa, joka koostuu (i) 100 prosentista lunastettujen Velkakirjojen pääomasta ja (ii) jäljellä olevista korkomaksuista Vapaaehtoisesta Lunastuspäivästä (mukaan lukien) päivään, joka on kolme (3) kuukautta ennen Lunastuspäivää (poissulkien), diskontattuna asianmukaiseen Vapaaehtoiseen Lunastuspäivään vuosittain 2,5 prosentin diskonttokorolla.

Liikkeeseenlaskijan tai Liikkeeseenlaskijan puolesta toimivan osapuolen tekemät laskelmat ja määritykset, jotka liittyvät Täyden Hyvityksen Lunastusmäärään, ovat (ilmeistä virhettä lukuun ottamatta) lopullisia ja sitovia kaikille Velkakirjanhaltijoille.

Jos missä tahansa vaiheessa ulkona olevien Velkakirjojen pääoma on 25 prosenttia tai vähemmän yhteenlasketusta liikkeeseen laskettujen Velkakirjojen pääomasta, Liikkeeseenlaskija voi halutessaan milloin tahansa antamalla vähintään viisitoista (15) ja enintään neljäkymmentäviisi (45) kalenteripäivää etukäteen liikkeeseenlaskijan asiamiehelle ja Velkakirjanhaltijoille peruuttamattoman ilmoituksen, jossa on mainittava lunastukselle asetettu päivämäärä, päättää lunastaa kaikki ulkona olevat Velkakirjat kokonaan, muttei osittain, niiden nimellisarvoon yhdessä kertyneen mutta maksamattoman koron kanssa ottamatta huomioon lunastuspäivää.

Jos Liikkeeseenlaskupäivän jälkeen tapahtuu Lainaehtojen mukainen määräysvallan muutos (Change of Control), Liikkeeseenlaskijan on viipymättä saatuaan tietää tällaisesta määräysvallan muutoksesta ilmoitettava siitä Velkakirjanhaltijoille Lainehdon ”Notices and Right to Information” mukaisesti, ja liikkeeseenlaskijan on ennakkomaksupäivänä (päivä, joka on neljäkymmentäviisi (45) arkipäivää sen jälkeen, kun ilmoitus on julkaistu Velkakirjanhaltijoille) maksettava takaisin Velkakirjanhaltijoiden hallussa olevien Velkakirjojen jäljellä oleva pääoma ja kertyneet mutta maksamattomat korot kuitenkaan ilman preemiota tai rangaistusta, edellyttäen, että Velkakirjanhaltijat ovat vaatineet hallussaan olevien Velkakirjojen takaisinmaksua kirjallisella ilmoituksella, joka on annettava Liikkeeseenlaskijalle viimeistään viisitoista (15) työpäivää ennen ennakkomaksupäivää. Takaisinmaksettavien Velkakirjojen korot kertyvät ennakkomaksupäivään asti (poislukien ennakkomaksupäivä).

Velkakirjanhaltija voi eräännyttämisperusteeksi määritellyn sopimusrikkomuksen (Event of Default) tapahtuessa kirjallisella ilmoituksella Liikkeeseenlaskijalle eräännyttää ulkona olevien Velkakirjojen pääoman yhdessä kertyneen koron sekä muiden maksamattomien erien kanssa maksettavaksi aikaisintaan kymmenentenä arkipäivänä siitä, kun Liikkeeseenlaskija on vastaanottanut tällaisen ilmoituksen, jos eräännyttämisperusteeksi määritelty sopimusrikkomus jatkuu silloin, kun Liikkeeseenlaskija on vastaanottanut ilmoituksen ja ilmoituksessa määriteltynä ennenaikaisen takaisinmaksun päivämääränä. Korko tällaiselle Velkakirjalle kertyy ennenaikaisen takaisinmaksun päivämäärään asti (poissulkien). Liikkeeseenlaskijan tulee ilmoittaa Velkakirjanhaltijoille eräännyttämisperusteeksi määritellystä sopimusrikkomuksesta (ja mahdolliset sen korjaamiseksi tehdyt toimenpiteet) Lainaehtojen mukaisesti viipymättä tullessaan tietoiseksi tällaisesta tapahtumasta.

Arvopapereihin liittyvät oikeudet

Lainaehtojen mukaisesti ne Velkakirjanhaltijat, jotka Euroclear Finland Oy:n ylläpitämän Velkakirjoja koskevan rekisterin mukaan olivat rekisteröity Velkakirjanhaltijoiksi viidentenä pankkipäivänä ennen Velkakirjanhaltijoiden kokousta (”**Velkakirjanhaltijoiden Kokous**”) tai viimeisenä vastauspäivänä kirjallisessa menettelyssä (”**Kirjallinen Menettely**”) Euroclear Finland Oy:n toimittamaan Velkakirjahaltijoita koskevaan listaan tai sellaisten Velkakirjanhaltijoiden valtuuttamina asiamiehinä ovat, jos omistavat Velkakirjojen pääomasta Velkakirjanhaltijoiden Kokouksen päivänä tai viimeisenä vastauspäivänä Kirjalliseen Menettelyyn, oikeutettuja äänestämään Velkakirjanhaltijoiden Kokouksessa tai Kirjallisessa Menettelyssä ja ne merkitään paikallaoleviksi Velkakirjanhaltijoiden Kokouksessa tai osallistuviksi Kirjalliseen Menettelyyn.

Velkakirjanhaltijoiden Kokous tai Kirjallinen Menettely on päätösvaltainen vain, jos yksi tai useampi Velkakirjanhaltija omistaen yhteensä vähintään 50 prosenttia ulkona olevien Velkakirjojen pääomasta on läsnä (henkilökohtaisesti tai asiamiehen välityksellä) Velkakirjanhaltijoiden Kokouksessa tai toimittaa vastaukset Kirjallisessa Menettelyssä. Liikkeeseenlaskijan tai samaan Konserniin kuuluvan yhtiön omistamia Velkakirjoja ei oteta huomioon arvioitaessa Velkakirjanhaltijoiden Kokouksen tai Kirjallisen Menettelyn päätösvaltaisuutta.

Velkakirjanhaltijan äänioikeus määritellään sen Velkakirjojen tuottaman pääoman mukaan, joka Velkakirjanhaltijalla on viidentenä pankkipäivänä ennen Velkakirjanhaltijoiden Kokousta tai viimeisenä vastauspäivänä Kirjallisessa Menettelyssä. Liikkeeseenlaskijalla tai samaan Konserniin kuuluvalla yhtiöllä ei ole äänivaltaa Velkakirjanhaltijoiden kokouksessa tai Kirjallisessa Menettelyssä.

Velkakirjanhaltijoiden Kokous tai Kirjallinen Menettely on oikeutettu muuttamaan Lainaehtoja tai myöntämään väliaikaisia poikkeuksia Lainaehtoihin yksinkertaisella enemmistöllä annetuista äänistä. Kuitenkin vähintään 75 prosentin suostumus Velkakirjanhaltijoiden Kokouksessa tai Kirjallisessa Menettelyssä annetuista äänistä vaaditaan Velkakirjojen pääoman tai koron vähentämiseen, Velkakirjojen erääntymisen pidentämiseen tai Velkakirjanhaltijoiden Kokousten ja Kirjallisten Menettelyn päätösvaltaisuutta ja niissä tehtäviä enemmistöpäätöksiä koskevien vaatimusten muuttamiseen. Kun tarvittavalta enemmistöltä

Velkakirjanhaltijoista on saatu suostumus Kirjallisessa Menettelyssä, kyseessä oleva päätös katsotaan hyväksytyksi, vaikkei määräaika vastauksille Kirjallisessa Menettelyssä olisikaan umpeutunut. Velkakirjanhaltijoiden Kokouksessa ja Kirjallisessa Menettelyssä tehdyt päätökset sitovat kaikkia Velkakirjanhaltijoita riippumatta siitä, ovatko ne olleet läsnä Velkakirjanhaltijoiden Kokouksessa tai osallistuneet Kirjalliseen Menettelyyn ja riippumatta siitä, kuinka ne ovat äänestäneet tai siitä, ovatko ne äänestäneet ollenkaan.

Arvopapereihin liittyvä etuoikeusjärjestys

Velkakirjat ovat Liikkeeseenlaskijan suoria, vakuudettomia, takaamattomia ja ei-alisteisessa asemassa olevia velvoitteita, joilla on keskenään sama etuoikeusjärjestys (*pari passu*) ja ainakin sama etuoikeusjärjestys (*pari passu*) kaikkien muiden Liikkeeseenlaskijan nykyisten ja tulevaisuuden vakuudettomien, takaamattomien ja ei-alisteisessa asemassa olevien velvoitteiden kanssa, ellei pakottavasta lainsäädännöstä muuta seuraa.

Arvopapereiden vapaata luovutusta koskevat rajoitukset

Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille siltä osin kuin mitä Velkakirjanhaltijan oikeutta vapaasti ostaa tai luovuttaa Velkakirjoja ei ole paikallisessa lainsäännössä tai muuten rajoitettu. Kukin Velkakirjanhaltija on velvollinen omalla kustannuksellaan huolehtimaan edellä mainittujen rajoitusten noudattamisesta.

Missä arvopapereilla tullaan käymään kauppaa?

Yhtiö on hakenut Velkakirjojen ottamista kaupankäynnin kohteeksi Helsingin Pörssin päälistalle. Julkisen kaupankäynnin Velkakirjoilla odotetaan alkavan arviolta 4.10.2024 kaupankäyntitunnuksella 'KESJ035030'.

Mitkä ovat arvopapereihin liittyvät keskeiset riskit?

- Sijoittajat altistuvat Liikkeeseenlaskijan luottoriskille ja voivat menettää sijoituksensa Velkakirjoihin kokonaan tai osittain.
- Koska Velkakirjoilla on kiinteä korko, niiden hinta voi laskea korkojen muutosten seurauksena.
- Velkakirjat ovat Liikkeeseenlaskijan vakuudettomia ja takaamattomia velvoitteita.
- Velkakirjat eivät pääsääntöisesti sisällä Liikkeeseenlaskijan taloudellista tilannetta tai toimintaa koskevia kovenantteja eivätkä rajoita sen oikeutta sulautua, jakautua, myydä omaisuutta tai toteuttaa muita merkittäviä liiketoimia, joilla voi olla olennainen haitallinen vaikutus Velkakirjoihin ja Velkakirjanhaltijoihin.
- Liikkeeseenlaskija voi ottaa lisää velkaa ja/tai antaa vakuuksia ja/tai takauksia ilman Velkakirjanhaltijoiden suostumusta.
- Liikkeeseenlaskijan oikeuden käyttäminen tai velvollisuus lunastaa ja ostaa Velkakirjat ennen eräpäivää voi vaikuttaa haitallisesti Liikkeeseenlaskijaan ja kaikkiin ulkona oleviin Velkakirjoihin.

Keskeiset tiedot arvopapereiden tarjoamisesta ja kaupankäynnin kohteeksi ottamisesta

Mitkä ovat arvopaperiin sijoittamisen edellytykset ja aikataulu?

Ei sovellu. Tämä Esite on laadittu yksinomaan Listaamisen yhteydessä. Esite ei muodosta tarjousta tai tarjouspyyntöä ostaa arvopapereita missään valtiossa.

Miksi tämä esite on laadittu?

Yhtiö on laatinut ja julkaissut tämän Esitteen hakeakseen Velkakirjojen ottamista julkisen kaupankäynnin kohteeksi Helsingin Pörssin päälistalle.

Liikkeeseenlaskija tulee käyttämään Velkakirjojen liikkeeseenlaskusta saamansa varat, liikkeeseenlaskusta aiheutuvien kulujen vähentämisen jälkeen, Yhtiön toukokuussa 2024 perustetun vihreän rahoituksen viitekehyksen (Green Finance Framework) mukaisesti vihreiden hankkeiden tai omaisuuserien rahoittamiseen tai uudelleenrahoittamiseen tai muutoin kyseisen viitekehyksen mukaisesti. Velkakirjojen liikkeeseenlaskusta saadut nettovarat olivat yhteensä noin 297 162 300 euroa.

Olennaisimmat eturistiriidat

Danske Bank A/S ja OP Yrityspankki Oyj ovat toimineet Velkakirjojen Tarjouksen pääjärjestäjinä (”**Pääjärjestäjät**”). Pääjärjestäjien ja/tai niiden kanssa samaan konserniin kuuluvat yhtiöt ovat harjoittaneet, ja saattavat tulevaisuudessa harjoittaa, investointi- ja tai liikepankkitoimintaa tai muita palveluita Liikkeeseenlaskijalle ja sen tytäryhtiöille (yhdessä ”**Konserni**”) tavanomaisen liiketoiminnan puitteissa. Näin ollen eturistiriitoja voi esiintyä tai syntyä sen seurauksena, että Pääjärjestäjät ja/tai niiden kanssa samaan konserniin kuuluvat yhtiöt ovat aiemmin harjoittaneet, tai harjoittavat tulevaisuudessa, liiketoimia muiden osapuolten kanssa, toimivat useassa eri roolissa tai suorittavat muita liiketoimia sellaisten kolmansien osapuolten puolesta, joiden intressit ovat ristiriitaiset.

Yhtiö on solminut Pääjärjestäjien kanssa sopimuksia koskien eräitä Tarjouksen yhteydessä tarjottavia palveluita.

Sovellettava laki ja riidanratkaisu

Tarjoukseen ja Velkakirjoihin sovelletaan Suomen lakia, ja kaikki Tarjoukseen ja Velkakirjoihin liittyvät erimielisyydet ratkaistaan suomalaisissa tuomioistuimissa Suomen lain mukaisesti.

RISK FACTORS

Investors considering investing in the Notes should carefully review the information contained in this Prospectus and, in particular, the risk factors described below. Factors possibly affecting an investment decision are also discussed elsewhere in this Prospectus. Investing in the Notes involves risks. Should one or more of the risks described herein, or any other risk, materialise, it may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Group's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors in the Notes may lose part or all of their investments.

The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are considered by the Issuer to be material in order to assess the market risk associated with the Notes. This description is based on the information known and assessed by the Issuer on the date of this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. Most of these factors are contingencies which may or may not occur. All prospective investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.

The risk factors presented herein have been divided into six (6) risk categories based on their nature. These categories are:

- *risks relating to the Group's operating environment;*
- *risks relating to the Group's business operations;*
- *risks relating to the Group's financing;*
- *legal, regulatory and compliance risks;*
- *risks relating to the Notes; and*
- *risks relating to the Terms and Conditions.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the risk categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to the risk factors in another category.

The capitalised words and expressions used in the risk factors presented herein but not defined shall have the meanings defined in this Prospectus and in the Terms and Conditions included in this Prospectus.

Risks relating to the Group's operating environment

Negative developments in consumer confidence and/or consumer spending may affect the Group's operations

The Group's result of operations depend significantly on consumer consumption of retail products and is thus sensitive to changes in consumer confidence and consumer spending. In 2023, approximately 61 per cent of the Group's net sales came from B2C sales comprising retailer operations and Kesko's own retailing.[1] Increased interest rates, taxes and public payments resulting from the indebtedness of the public sector coupled with increasing unemployment could weaken the purchasing power, causing a negative development in consumer confidence, demand and/or consumer spending. The Group considers the risks associated with this decline, especially when combined with a downturn in construction, to be high and potentially have a substantial impact on its operations and, thus, materialisation of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

[1] B2C sales include Kesko's own B2C trade as well as Kesko's wholesale to retailers.

The Group's business is subject to adverse global economic and political developments that may cause severe disruptions in the European and global economy and have an adverse effect on the Group's operations

The Group is exposed to risks associated with any future downturn in the domestic, regional or global economy. The Group's core operations are located in the Nordics, Baltics and Poland and, as a result, the Group's net sales and results are vulnerable to economic uncertainty and adverse developments in the general macroeconomic conditions particularly in these markets. Uncertainty in the general economic and financial markets may be a result of, for example, deterioration in business and consumer confidence leading to decreased investment activity by businesses and consumers as well as lower consumer spending, negative employment trends, increasing cost of energy, increasing level of public and household debt and high interest rates which may impact the Group's sales and growth prospects.

In the grocery trade, product price has an emphasised impact on consumer purchase decisions and consumers may elect to choose a cheaper alternative in terms of the shopping venue or the purchased products. Additionally, negative economic development including negative employment trends may lead to reduced spending on non-essential grocery items.

Compared to the grocery trade, the car trade is increasingly sensitive to economic cycles. Customers may, for example, postpone buying decisions or choose a cheaper mode of transport. Further, as cars are often purchased with debt, high interest rates may deter potential customers from purchasing a car. Similarly, high inflation and uncertainties related to electricity prices may decrease interest towards electric vehicles.

The building and technical trade is linked to the construction sector, which is cyclical in nature. Weakened economic conditions may lead to construction and renovation projects being delayed, affecting material costs as well as the sales and inventory management of Kesko. Further, construction and real estate projects are often financed with debt, making the sector highly sensitive to interest rates.

In recent years, there have been considerable fluctuations in the overall economic and financial market conditions in Europe and elsewhere as a consequence of, among others, the war in Ukraine and other military conflicts, tightened military and economic competition between superpowers as well as high inflation. Further, it is difficult to ascertain how long the war in Ukraine may last, or how severe its impacts may become. If the conflict is further prolonged, escalates or expands (including if additional countries become involved), or if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen, regional and global macroeconomic conditions and financial markets could be impacted more severely, which in turn could have a more severe effect on the economy in the Nordics, Baltics or Poland, the Group's customers and the Group's business, financial condition and results of operations.

Adverse domestic, regional, and global economic and political developments, may, among others, affect consumers' purchasing power and companies' willingness to invest, disturb the continuity of supply chains, and the availability of products, lower growth estimates, disturb the implementation of the Group's strategy, lead to credit losses and weaken the demand of the Group's products by, among others, weakening the financial position and solvency of its suppliers, subcontractors and customers.

While the Group has assessed the probability of geopolitical risk to be relatively low over the next 12 months, the general macroeconomic and financial market conditions, which are influenced by many factors beyond the Group's control, thereby may have a direct or indirect material impact on the business, financial condition and future prospects of the Group. These impacts, varying in terms of scope, may also include the rate at which additional financing is available for the Group and its other costs of financing.

The realisation of any of the aforementioned risks may have a material adverse effect on the Group's operations and thereby on its business, results of operations and/or financial position and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Cybercrime may have an adverse effect on business continuity and may lead to a loss of critical information

The Group is exposed to increasing risks from growing professional cybercrime, which can significantly impact business continuity and lead to the loss of critical information. Cyber-attacks may target personal data or data systems essential for the Group's business operations, resulting in business disruptions, loss of customer trust, or fines imposed by authorities. As the Group's K-Plussa loyalty scheme had 3.4 million customers using their

K-Plussa loyalty card and 2.5 million Finnish households belonging to the K-Plussa network during the 12-month period that ended in June 2024, the Group may be considered an attractive target for cybercrime.

Further, cyber-attacks may disrupt business operations, leading to potential sales interruptions and operational inefficiencies, which can have a direct adverse effect on the Group's financial performance and market position. Additionally, breaches involving personal data can erode customer trust and damage the Group's reputation and any failure to protect the personal data of the Group's customer's or employees in this regard can lead to, among others, a loss of customer loyalty and potential legal repercussions. The probability of a material business disruption caused by a cyberattack is assessed to be relatively low, however, in the event of a worst-case scenario, the potential financial impact could be significant.

Non-compliance with data protection regulations due to cyber-attacks can result in significant fines imposed by authorities. The Group must ensure robust data protection measures to comply with regulations such as the EU General Data Protection Regulation (EU 2016/679, "**GDPR**"). Furthermore, cyber-attacks can affect the supply chain, disrupting the availability of products and services. Ensuring the security of supply chain data and systems is crucial for maintaining business continuity and meeting customer demands. Risks relating to cybercrime may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks relating to the Group's business operations

Competition in the retail trading industry could reduce the Group's sales and operating profit

The retail trading industry is characterized by intense competition among major market players in most countries where the Group or its subsidiaries operate. For example, in 2023, the Group faced intensified price competition in the Finnish grocery market due to rising food prices, which significantly impacted consumer purchasing decisions. Success in these highly competitive markets depends on the continual development of chain concepts, including pricing, product selection, product quality, customer service, store locations and their reputation, shopping convenience, online service offerings, advertising, customer loyalty programs, availability of consumer credit, and the overall ambiance and atmosphere of the stores. The competition results in challenges to the Group's ability to sustain the growth of its chains and sales while offering attractive products and services to customers at competitive prices. The Group considers the risks associated with competition in the retail trading industry to be high.

The Group's success depends on its ability to adapt to changes in customer behaviour and the competitive landscape driven by technological advancements, as well as its capability to differentiate itself from competitors through factors such as shopping convenience, high-quality product selection, and exceptional customer service. There is no guarantee that the Group will be able to compete successfully against its existing or new competitors in the future. Competitors' actions, such as launching new brands, expanding their store networks, innovating in pricing strategies, enhancing promotional and marketing efforts, and developing electronic services and business strategies, could potentially reduce the Group's sales or profitability or increase costs. These factors could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects.

Delays in actions aimed at mitigating climate change and an increase in extreme weather phenomena can impact product availability and cause disturbances in logistics and the store site network

The effects of climate change, combined with increasing population, are difficult to predict. However, it is likely that climate change in a long-term perspective will affect the conditions for food production in different parts of the world. Kesko had over 22,900 suppliers in 2023, located all over the world, including in countries such as China, India and Thailand. Therefore, climate change and its effects on the conditions for food production may in the future involve risks for the Group in the form of lack of access and/or uncertainty at the supplier level.

Additionally, the loss of biodiversity and extreme weather conditions, such as floods, droughts, and storms, can severely disrupt agricultural production and supply chains which can lead to reduced availability of raw materials, increased costs, and potential shortages of products. Any significant disruption in supply chains and product availability due to biodiversity loss or extreme weather events may have a material adverse effect on the Group's business operations and profit margins.

Measures aimed at combatting climate change may require, to some extent, the restructuring of the Group's operations, which may have a material adverse effect on the Group's financial position and business operations

Climate change has caused states and communities to undertake measures to combat climate change, i.e., measures aimed to decrease climate impact by humans and to limit the temperature increases. These measures may also pose risks to the Group and its operations. The Group will need to meet higher standards regarding the Group's adaptation and restructuring of its operations in line with these measures. The Group's largest environmental impact in its operations is associated with transportation of goods and logistics, district heating as well as refrigerating and freezing. New regulations, laws and provisions have been, and will in the future be, issued which in turn will impact the Group's operations and financial results. For example, as of 1 January 2020, pursuant to Regulation (EU) No 517/2014 of the European Parliament and of the Council, the usage of refrigerants with a high level of environmental impact is prohibited.

The Group has set near-term and committed to setting long-term science-based targets and, in line with the updated timelines from the Science Based Targets initiative regarding Forest, Land, and Agriculture (FLAG) target setting, is currently reviewing and updating its targets, with completion expected by 2025. To achieve its current and/or future targets, the Group must restructure some of its operations, related to, for example, transportation and energy usage. Such restructuring of operations will lead to increased costs in the short term, and even then, there can be no assurance that the Group will achieve its targets. Further, there can be no assurance that the Group will not amend its science-based targets in the future. If standards for measures to combat climate change were increased suddenly, the Group would incur even greater costs of restructuring its operations, which may have a material adverse effect on the Group's financial position and business operations. For more information on the Group's sustainability strategy, see section "*Information about the Issuer – Sustainability*".

The Group's business is largely dependent on the cost effectiveness within its respective operations and stable supply chains. Increased costs, such as the measures required to combat climate change and/or reach the Group's climate targets may have a material adverse effect on the Group's financial position and business operations.

Failure in product safety and quality assurance controls may affect the Group's operations and profitability

A failure in product safety control or in the quality assurance of the supply chain could result in financial losses, the loss of reputation and customer trust, or, in the worst case, a health hazard to the customers of the Group.

The Group's operations involve complex supply chains with over 22,900 suppliers in 2023, and maintaining high standards of product safety is critical. The Group requires that all suppliers of its own-brand food products have international certifications verifying product safety. Additionally, the Group conducts systematic and comprehensive audits of suppliers in high-risk countries to ensure compliance with social responsibility and environmental standards and the Group considered the risks associated with product safety low. However, any lapses or failures in these controls could have material adverse effect on the Group's business operations. Such failures could lead to significant financial losses, damage the Group's reputation, loss of customer trust and potential legal liabilities and regulatory actions.

Materialisation of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of the Group to acquire and maintain attractive store locations may affect the Group's operations and profitability

The Group owns and leases approximately 1,800 retail, logistics, and office properties across all its operating countries, including the Nordic and Baltic regions as well as Poland, to meet business needs. As of 31 December 2023, the book value of the Group's property portfolio was EUR 1,523 million (EUR 1,246 million as of 31 December 2022).

As a property owner, the Group is responsible for ensuring that property development and maintenance comply with legal regulations. Failure to meet these requirements could lead to increased costs and reduced property values. Additionally, risk of damages and environmental risks exist, including the potential for liability related to environmental cleanup, regardless of whether the contamination was caused by the Group or a previous owner.

Acquiring and maintaining attractive store sites are key competitive factors for the Group in increasing its market share. Kesko has announced, that it will build new K-Citymarket stores in Helsinki, Vantaa, Lahti, Kuopio and Lempäälä over the next few years. The acquisition of store sites, whether in Finland or abroad, may face delays due to zoning and permit procedures as well as the availability and pricing of sites. Changes in market conditions, demographics, or depopulation of areas could render store sites unprofitable, while the Group's long-term liabilities related to these sites may persist, tying up substantial amounts of capital or lease liabilities in store properties for extended periods. If these or similar risks materialize, they could have a significant adverse effect on the Group's business, financial condition, operational results, and future prospects, potentially impacting the Issuer's ability to fulfil its obligations under the Notes and affecting the market price and value of the Notes.

The acquisition of sites can be delayed by town planning, permit procedures, and challenges related to availability and pricing. Failure to find and acquire or lease prime store locations successfully may have a material adverse effect on the Group's business, profitability, and the value of its property portfolio. Significant capital or long-term lease liabilities are often tied up in these properties for extended periods, which may lead to opportunity costs as the resources could have been allocated elsewhere. Further, due to urbanization, shifts in market conditions, the rising importance of e-commerce, or an ineffective chain concept, there is a risk that a store location or property may become unprofitable, leading to discontinued operations, a decrease in property values, and long-term liabilities that persist.

The realization of any of these risks could significantly impact the Group's business, financial position, operational results, and outlook and, in turn, affect the Issuer'sability to meet its obligations under the Notes as well as the market price and value of the Notes.

Failure in sustainable and responsible operating practices and reputation management may affect the Group's operations and profitability

The Group's success is significantly dependent on the value of its chain, product, and other brands. The Group's brands are crucial to its business operations and strategic implementation, with corporate responsibility being an integral part of its long-term activities. The Group offers private label products within its chains and tailors product selections to local demand. For example, the private labels – K-Menu and Pirkka – accounted for over 20 per cent of retail sales in grocery trade in 2023. The positioning and development of the Group's brands rely on effective marketing and promotional activities, as well as the Group's commitment to delivering consistently high-quality customer experiences while maintaining its sustainable and responsible operating practices. However, neglect in these areas presents significant risks and could result in losing customer, investor and other stakeholder trust. These include potential lapses in supply chain integrity, product safety, environmental stewardship, and ethical conduct. Failures in product safety or quality assurance within the supply chain could erode customer trust and, in severe instances, jeopardize customer health. Deviations from responsible practices, such as lapses in environmental or social responsibility, could lead to adverse publicity, operational disruptions, and financial losses. The Group has assessed the probability of a significant failure in sustainable and responsible operating practices and reputation management occurring within the next 12 months low.

Various aspects of corporate responsibility, such as ensuring responsibility in the sustainable purchasing chain of products, fair and equal treatment of employees, the prevention of corruption, and environmental protection, are increasingly important to customers. While the Group is a member of amfori, an association promoting sustainable trade, takes part in amfori Business Social Compliance Initiative and uses global social responsibility audits and certification systems in the assessment of working conditions at factories and plantations in risk countries, there can be no assurance that all suppliers will fully comply with these standards or that all issues related to working conditions will be identified and rectified. Any failures in corporate responsibility could result in negative publicity for the Group and cause operational and financial damage.

These issues can have a direct impact on the Issuer's ability to meet its obligations related to its Notes. Failures in responsible practices can result in operational inefficiencies and financial damage, potentially affecting the Group's performance and its capacity to fulfill its commitments to holders of the Notes (the "**Noteholders**"). Ensuring robust corporate responsibility in areas like supply chain management, fair employee treatment, anti-corruption measures, and environmental protection is increasingly critical. Any shortcomings in these areas can harm the Group's reputation, disrupt operations, and lead to significant financial repercussions, thereby affecting its ability to meet its financial obligations which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of the Group's strategy or its implementation may reduce the Group's growth and profitability in the future

The Group published its updated strategy in June 2024. While the fundamental pillars of the Group's strategy remained unchanged, there is no guarantee that the Group may successfully implement the strategy or achieve the anticipated benefits, which could adversely affect its growth and profitability. The Group's plans to achieve sustainable growth across its three main business areas: grocery trade, building and technical trade, and car trade. This includes a focus on enhancing customer experience, developing digital services, and maintaining a strong commitment to sustainability. The Group aims to expand its market presence through both organic growth and acquisitions, particularly in Northern Europe. It is essential for the Group in implementing its strategy both in Finland and abroad to execute necessary changes in business operations fast and efficiently, which requires highly skilled employees and increasingly sophisticated resource planning and information systems. For more information on the Group's strategy, see section "*Information about the Issuer – Strategy*".

Unless the Group is able to realize its strategy in a way that yields an appropriate return on investment, its future growth and profitability may weaken. This could have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The Group's expansion to abroad may entail integrating the acquired businesses into its existing organisation in a manner that supports the Group's operations

Apart from Finland, the Group currently operates in Denmark, Estonia, Latvia, Lithuania, Norway, Poland and Sweden. Joint venture Kesko Senukai operates in the Baltic countries. The joint venture Kesko Senukai is a part-owner in OMA, a Belarussian building and home improvement trade chain. The Group has expanded its operations primarily in the Nordics. Between 1 January 2024 and 30 June 2024, approximately 20 per cent or EUR 1,167 million of the Group's net sales was derived from its operations abroad (approximately 17 per cent or EUR 1,034 million between 1 January 2023 and 30 June 2023).

In connection with its expansion abroad, the Group may encounter unexpected challenges due to integrating the acquired businesses into its existing organisation in a manner that supports the Group's operations and strategy. Any level of integration, particularly those involving IT systems, takes time, requires management attention and entails costs. Integration may prove unsuccessful due to various reasons, including difficulties in integrating employees from different business cultures, failure to retain management and other personnel, maintain customer relationships, and conform the operating models of the former entrepreneur-led businesses to the Group's operating model, as well as difficulties in integrating and harmonising control procedures and other technologies within the Group. If the Group is not able to successfully integrate the acquired business operations, its ability to grow and operate efficiently may weaken, which may, in turn, adversely affect its business, financial position and results of operations, thereby influencing the Issuer's ability to fulfil its obligations under the Notes and affecting the market price and value of the Notes.

Operational disturbances and events may affect the Group's business operations

The Group's operational risks primarily arise from inadequate or defective internal processes or systems, such as cyberrisks or a severe disruption at a critical logistics center. The significance of these processes and systems is heightened by the increasingly complex and extended supply chains, as well as a reliance on information systems, data communications, and external service providers that characterize the retail trading market. The Group's operational risks also include challenges related to the legal operating environment and dependency on IT systems. These risks encompass, for example, the functionality of the Group's information systems, its ability to monitor business processes and manage merchandise flows. Regulations concerning areas such as payment card processing, combined with the growing complexity of IT systems, may introduce additional risks.

Operational risks and associated losses may result from inadequate internal processes, fraud, human errors by employees and business partners, non-compliance with regulatory requirements and internal guidelines, equipment or payment system failures, malfunctions of information systems or external systems, as well as natural disasters. The Group's operations, particularly those of Onninen Oy and grocery trade, are heavily dependent on critical central warehouses. Any disruption to these warehouses, such as destruction or becoming unusable due to fire, natural disaster, or other sudden and unpredictable events, could significantly impact the Group's ability to deliver products and operate. Although the Group has implemented risk controls and loss mitigation measures and is committed to continuously improving procedures, there is no certainty that these measures will effectively manage all operational risks. If any of these or other operational risks materialize, they could have a significant adverse effect on the Group's business, financial condition, results of operations, and future prospects, potentially impactingthe Issuer's ability to meet its obligations under the Notes and affecting the market price and value of the Notes.

Lack of sufficient insurance cover or product safety liability may affect the Group's business operations

The Group's insurance policies are subject to exclusions of liability and limitations in both amount and scope regarding insured loss events. The Group does not have coverage for certain types of catastrophic losses, which may be uninsurable or for which insurance is not available on reasonable economic terms. A particularly significant risk would arise if the Group were unable to secure insurance for its critical central warehouses, whether due to conditions in the insurance market or other factors. Additionally, there is no assurance that the Group's current insurance coverage will not be canceled or become unavailable on reasonable economic terms in the future.

Many of the products sold by the Group are covered by statutory product liability, and separate provisions are in place for the sale of consumer products and the provision of consumer services. In some cases, the seller is required to recall defective or potentially dangerous products from the market. Despite the Group's investment in product safety and quality control—including audits of the supply chain and quality checks of products and services—there is no guarantee that risks related to product safety will not materialize in the future. If such risks do materialize, they could result in financial losses for the Group and diminish the value of its brands. For instance, if product safety management fails or supply chain quality assurance breaks down, it could lead to loss of customer trust or, in the worst case, endanger customer health. These failures could also impact the Group's insurance coverage. Insurers may impose higher premiums, stricter terms, or even refuse to renew policies if the Group is perceived as a higher risk due to lapses in product safety and quality control. This could further limit the Group's ability to secure adequate insurance coverage on reasonable economic terms.

The realization of these risks may have a significant adverse effect on the Group's business, financial condition, operational results, and future prospects, potentially impacting the Issuer's ability to meet its obligations under the Notes and affecting the market price and value of the Notes.

Failure of the Group to establish and maintain supply channels may affect the Group's operations and profitability

The Group's success largely depends on establishing and maintaining efficient and reliable relationships with suppliers to minimize the risk of unexpected supply disruptions and ensure reliable services and appropriate product selections for customers. Certain divisions of the Group, such as the car trade, may be partially reliant on individual principals and suppliers, such as Volkswagen Group and Porsche, which increases the risk of supply-side disturbances due to factors such as changes in a supplier's strategy, product selections, pricing, or distribution channel solutions. Further, geopolitical risks, such as the ongoing conflict in Ukraine and other military conflicts, have heightened security tensions and could significantly impact the continuity of international supply chains and product availability in the future. Additionally, the impact of climate change on global production areas, supply, quality, and price could become critical factors for the continuity of the Group's supply chain and product availability, see section "*Risks relating to the Group's business operations – Delays in actions aimed at mitigating climate change and an increase in extreme weather phenomena can impact product availability and cause disturbances in logistics and the store site network*" and "*– Measures aimed at combatting climate change may require, to some extent, the restructuring of the Group's operations, which may have a material adverse effect on the Group's financial position and business operations*" above. The realization of these risks could have a significant adverse effect on the supply of certain products, which could negatively impact the Group's business, financial condition, net sales, results of operations, and future prospects, potentially impacting the Issuer's ability to fulfill its obligations under the Notes and affecting the market price and value of the Notes.

The Group's business may be adversely affected by the loss of employees in key positions or the inability to engage suitable K-retailers

The future operating results of the Group depend significantly on the continued contributions of its senior management and personnel. Consequently, the Group relies heavily on its ability to recruit, train, motivate, and retain highly skilled employees. However, there is intense competition for individuals with the necessary experience and qualifications in the retail trading sector, which could lead to significantly increased personnel costs. As a result, it may become increasingly challenging for the Group to hire and/or retain qualified personnel.

Furthermore, the Group's operating results are also affected by the performance of independent K-retailers running stores within its chains and how effectively the Group can engage suitable K-retailers. While the Group has implemented various initiatives to enhance employee well-being, motivation, and skills development, such as the introduction of a new recruitment system aimed at improving the applicant experience, and the continuation of the Leader@K training program for new managers to support their development in managerial roles and the Group has been recognized as an attractive employer, ranking 7th in Universum's Ideal Employer Ranking for professionals in 2023 (7th in 2022) and 12th for students, making it the most attractive employer in the retail sector among students (13th in 2022), these measures may not be enough to recruit, train, retain, and/or motivate qualified personnel and engage appropriate K-retailers.

If the Group is unable to recruit, train, retain, and/or motivate qualified personnel and engage appropriate K-retailers, it may struggle to compete effectively in the retail trading sector. This could limit the successful implementation of the Group's strategies and have a significant adverse effect on its business, financial condition, results of operations, and future prospects, potentially impacting the Issuer's ability to fulfill its obligations under the Notes and affecting the market price and value of the Notes.

The Group is exposed to risk of inventory impairment and slow inventory turnover in building and technical trade

The Group is exposed to the risk of inventory impairment and slow inventory turnover in the building and technical trade. The Group faces a risk of inventory impairment, and a slowdown in inventory turnover could significantly harm the Group's building and technical trade. In 2023, the building and technical trade business saw a decline, with net sales decreasing to EUR 4,193.2 million, compared to EUR 4,591.1 million in 2022. The construction industry is inherently cyclical, with periods of high activity followed by downturns. Weak economic growth, downturns of the construction industry, financial uncertainty, or changes in regulations could reduce the sale of building and technical products, leading to slower inventory turnover. In low demand conditions, the Group may have to sell products at discounted prices to avoid inventory impairment. The Group might need to adjust its inventory values or sell products below their acquisition cost if regulatory changes affect prices. A decrease in inventory value or failure to sell inventory timely at profitable prices could adversely affect the Group's financial performance and position.

Risks relating to the Group's financing

The Group may not be able to obtain financing on competitive terms or at all, it may become in breach of covenants and its cost for financing may increase

Uncertainty in the financial market may lead to increased costs for the financing needed to carry out the Group's business and could make such financing less readily available. The Group's capital structure (equity-to-debt ratio) is managed at Group level and the Group aims to mitigate the risk related to the availability of financing by employing credit agreements of varying durations, maintaining a broad base of lenders, utilizing committed revolving credit facilities, and upholding a reputation as a reliable debtor among creditors. Some of the Group's debt financing includes standard covenants that cover aspects such as the equal status of lenders, certain key financial indicators, and the use of collateral. The most significant covenants, including the ratio of interest-bearing net debt to EBITDA and limitations on certain subsidiary loans and collateral, have substantial headroom as at 30 June 2024.[2]

The Group's liquidity risk management aims to maintain sufficient liquid assets and credit facilities in order to ensure the ongoing availability of sufficient financial resources for the Group's operating activities. Although the Group currently generates sufficient funds from operating cash flows to meet its scheduled debt service requirements and has adequate capacity to secure new financing, there is a possibility that it could face difficulties in raising funds at any given time. This could lead to a lack of access to necessary liquidity and there is no assurance that the Group will always be able to meet its financial covenants or sustainability targets in its sustainability linked financing as required. If any of these factors materialize, it could have a significant adverse effect on the Group's business, financial condition, results of operations, and future prospects, potentially

[2] Excluding IFRS 16 (Leasing).

impacting the Issuer's ability to fulfill its obligations under the Notes and affecting the market price and value of the Notes.

Fluctuations in interest rates may adversely affect the Group's earnings

Fluctuations in interest rates can significantly impact the retail trading business. A substantial increase in interest rates may affect private consumption and consumers' ability to purchase goods. Additionally, such increase in the interest rate level could have a material adverse effect on the cost of financing and some of the Group's current financing expenses while moderate increases in the interest rate level do not cause significant impacts for the Group. For example, in accordance with the sensitivity analysis calculated at the balance sheet date of 31 December 2023, the effect of variable rate borrowings on the pre-tax profit would have been EUR-/+4.1 million (31 December 2022: EUR-/+1.1 million), if the interest rate level had risen or fallen by 1 percentage point. The Group carefully monitors the development of interest rates and actively seeks to hedge its position against changes in interest rates and the interest rate risk is centrally managed by the Group treasury. Despite these measures, fluctuations in interest rates or a failure to properly manage its position may have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects, thereby affecting the Issuer's ability to fulfill its obligations under the Notes as well as the market price and value of the Notes.

The Group operates internationally, mainly in the Nordics, and is consequently exposed to fluctuations in foreign exchange rates

The Group's operations in countries outside Finland expose it to currency risk, which the parent company manages and hedges. As a result, the Group faces various foreign exchange risks related to net investments in foreign operations (translation-related risks), as well as foreign currency assets, liabilities, and forecast transactions (transaction risks).

The balance sheet exposure from the Group's investments in foreign subsidiaries has not been fully hedged. A hedge is initiated if equity is repatriated or if there is a significant risk of currency devaluation. Currently, the Group's most significant translation risks arise from the Swedish krona and Norwegian krone. While the Group's transaction risk is managed commercially by passing on exchange rate changes to sales prices or by changing suppliers and the Group also partially hedges transaction positions with derivatives, there is no assurance that future currency exchange rate fluctuations will not have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects, potentially impacting the Issuer's ability to fulfill its obligations under the Notes and affecting the market price and value of the Notes.

Future changes in accounting standards may have an adverse effect the Group's financial position

The Group is not aware of any pending changes IFRS accounting standards or in other financial reporting standards that would have material impact on the Group. However, the Group is subject to risks related to potential future changes in IFRS accounting standards as well as changes in other financial reporting standards, which could substantially impact the reported gearing and equity ratio of the Group. Although some of the Group's current loans include debt covenants[3] assessed based on existing accounting standards, any changes in these standards may affect the Group's position when renewing or obtaining additional financing. If such changes occur, they may have a significant adverse effect on the Group's business, financial condition, results of operations, and future prospects, potentially impacting the Issuer's ability to fulfill its obligations under the Notes and affecting the market price and value of the Notes.

A global economic downturn and serious dislocation of the financial markets may expose the Group to credit and counterparty risks

The Group's credit or counterparty risk is defined as the possibility of a customer, subcontractor, or a financial counterparty not fulfilling its commitments towards the Group. In recent years, global economic uncertainty and disruptions in financial markets, exacerbated by events such as the COVID-19 pandemic, geopolitical tensions, and inflationary pressures, have heightened the risk of counterparty defaults. Should such difficulties occur in the future, they could inhibit the capability of a customer, subcontractor, or a counterparty of the Group to honor its pre-existing lending arrangements, permit withdrawal of deposits, or provide payment forwarding services.

The Group's ability to manage its trade receivables exposure, risk concentrations, and financial counterparty-related risks depends on a number of factors, including its capital structure, market conditions affecting its

[3] Excluding IFRS 16 (Leasing).

counterparties, and its ability to mitigate exposure on acceptable terms. As at 30 June 2024, the Group's trade receivables amounted to EUR 1,193.3 million (EUR 1,150.8 million as at 30 June 2023). The Group may fail in managing the risks related to its trade receivables exposure or risk concentrations, which could have a material adverse effect on the business, financial position, results of operations, or future prospects of the Group.

The Group could also face increased credit exposure and incur costs of rearranging credit transactions, including rearrangement on less favorable terms, such as with an incremental change in its financing rate. Actions by counterparties who fail to fulfill their obligations to the Group may impact the Group's cash flow and liquidity, which may have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects, thereby affecting the Issuer's ability to fulfill its obligations under the Notes as well as the market price and value of the Notes.

Various international financial institutions are counterparties to the interest rate derivatives and other hedging contracts entered into or deposits made by the Group. To minimize the counterparty risk in financing operations, the Group enters into agreements only with leading creditworthy banks in the countries where it operates and other financial institutions and has ISDA agreements in place with most active banks. In investing activities, the counterparty risk is managed by defining separate risk limits for each counterparty. In the case of default by a counterparty, the Group could lose all or part of its deposits or may lose the benefit from hedges signed with such counterparties. Furthermore, if a counterparty to a hedge defaults or is otherwise unable to honor its obligations towards the Group, the Group may lose the protection provided by the hedge and the possible positive market value, which may lead to a financial loss and increased costs for the Group. This may then result in an increase in interest rate or currency exposure and could thus have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects, thereby affecting the Issuer'sability to fulfill its obligations under the Notes as well as the market price and value of the Notes.

Legal, regulatory and compliance risks

Legal and regulatory requirements, changes in and non-compliance with laws and regulations or licences may have a material adverse effect on the Group's business operations

The Group's business operations are subject to laws, regulations and regulatory requirements on national and international levels, with the regulatory landscape at the EU level becoming increasingly challenging and imposing new and stricter requirements. These include, but are not limited to, regulations restricting competitive trading conditions, health and safety regulations, environmental regulations, labor regulations, competition regulations, and corporate and tax laws, such as the GDPR, Corporate Sustainability Due Diligence Directive and the so-called EU-wide Big Five acts – the Data Governance Act, Digital Markets Act, Digital Services Act, Data Act, and Artificial Intelligence Act. Changes in the regulatory framework and/or the loss of benefits associated with a status or authorization could require the Group to adapt its business activities, assets, or strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities. Although Kesko is not aware of any regulatory matters that could reasonably be expected to have a material adverse effect on the Group's business, financial position, results of operations or future prospects of the Group, there can be no assurance that the Group will not face unexpected challenges or additional tax liabilities as a result of the new regulations. These potential challenges could have a material adverse effect on the Group's financial position, results of operations, and future prospects. Further, there can be no assurance that the operations of the Group fully comply with all relevant laws and regulations and their respective interpretations in all jurisdictions in which the Group operates.

Furthermore, the revised K Code of Conduct imposes certain commitments and objectives on the Group. Although these commitments are not necessarily mandated by law, they reflect the Group's value-based choices. Failure to ensure compliance with the K Code of Conduct within the Group's supply chain or at the Group level could result in significant reputational damage which in turn could have adverse effect on the Group's financial position, results of operations, and future prospects.

In addition, the Group may from time to time engage in operations that require official permits, registrations and licences and there can be no assurance that the Group will at all times be able to maintain all such licences required by law for its operations.

Local authorities may impose administrative fines or other sanctions on the Group, should it violate or otherwise fail to comply with applicable legislation or other regulatory requirements. While the Group has strict compliance protocols in place, the Group may not be able to fully protect itself against misconduct. The Group is thus exposed to the sanctions risks against events beyond its control. There can be no assurance that the Group's costs for compliance will not significantly increase in the future as a result of new or amended laws or regulations, or as a result of stricter interpretations or stricter enforcement of existing laws and regulations. The Group is also subject to tax and administrative audits. Should the Group be ordered to sanctions, it may have a material adverse effect on the Group's business, financial condition, results of operations, and future prospects.

In the normal course of its business activities, the Group could be involved in legal proceedings regarding contractual responsibility, data protection, employers' liabilities, penal issues, and/or consumer law violations. These proceedings may be initiated by individual parties or by the Finnish Consumer Ombudsman on behalf of a consumer group. Additionally, the Group may be subject to investigations and/or administrative fines imposed by the Data Protection Ombudsman in matters related to personal data. For example, the Group has been involved in a long-standing investigation by the Finnish Competition and Consumer Authority into Onninen Oy's alleged competition infringement, which was eventually taken to the Market Court in 2022. The Market Court dismissed the penalty payments proposed for Onninen Oy and the other companieson 28 August 2024. The decision has not gained legal force yet. Depending on the outcome of these proceedings, the Group may face significant costs, financial penalties and reputational damage, which may have a material adverse effect on the Group's business and financial condition.

The Group may also incur other costs related to potential non-compliance with applicable laws and regulations that could have a material adverse effect on the Group's results of operations. To the extent that the Group is unable to pass on the costs of compliance with stricter or changing requirements, taxes and duties to the Group's customers, the Group's profit margins may decline, which could have a material adverse effect on the Group's business, results of operations or financial condition. If the Group is unable to comply with the applicable laws and regulations, this may cause financial losses for the Group, significantly weaken its business opportunities and damage the Group's reputation among existing and prospective customers which may have a material adverse effect on the Group's operations and thereby on its business, results of operations and/or financial position and thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The Group collects and processes personal data as a part of its daily business and is exposed to risks relating to information security

The Group stores and processes the personal data of its customers, employees and suppliers in the course of its business operations, and is a Data Controller or Data Processor in terms of the GDPR. Further, the business operations of the Group are to some extent based on data and involve certain information security risks, such as leaks of personal data, payment information or other information to third parties.

The Group seeks to arrange the handling of personal data within its organisation and within each individual Group Company in a manner that fulfils the requirements of data protection legislation in force. However, it is possible that the personal data are misused by the Group, Group personnel or by third parties and that the measures including any relevant policies and procedures may not be or have not been sufficient to ensure compliance with applicable data protection laws. Further, the Group may fail to protect personal data in accordance with the privacy requirements provided under applicable laws, and certain customer or employee data may be used inappropriately either intentionally or unintentionally, or leaked as a result of human error or technological failure. For example, in May 2023, the Data Protection Ombudsman issued a decision in which it considered that the retention period of purchase data of loyal customers based on the duration of the customer relationship was in violation of the data protection regulation. The Ombudsman issued a reprimand and ordered the Group to establish purpose-specific retention periods for this data and delete any data exceeding these periods. Although the GDPR does not specify exact retention periods, the Group's initial approach was deemed insufficient. Following this decision, the Group revised its data retention periods. Additionally, the Group reported 440 leaks and losses related to customer data in 2023, such as lost documents.

In addition, the GDPR may limit the Group's possibility to use customer data, for example, to develop its service offerings or for other purposes. Violation of data protection laws by the Group, or any leakage of customer or employee data may result in fines, reputational harm and loss of customers and could have a material adverse effect on the Group's business, financial position and results of operations.

Environmental regulation and potential liability associated with environmental compliance could increase the Group's costs or restrict its business operations.

The majority of the Group's environmental impacts come from logistics and district heating, however, in connection with its business operations and property development, the Group, or its subcontractors on the

Group's behalf, store and handle hazardous materials such as oils, lubricants, and other chemicals. The Group is exposed to environmental risks related to the handling of hazardous materials—materials which, if released into the environment, may cause soil contamination and other environmental damage.

The Group may also, from time to time, purchase, sell, or lease land that has been formerly used for industrial or similar purposes. The alteration of zoning of such land or the acquiring of building permits may require cleaning operations, reconstruction, or modification measures to comply with environmental legislation. There are no guarantees that the liability for performing such measures could be fully eliminated in the agreement on the acquisition or sales of such land areas, and secondly, the liability may fall on the Group despite such contractual arrangements. Moreover, the Group may purchase, own, or lease land that has previously been used for an activity due to which the land is heavily contaminated, contamination of which has not yet been detected. Liabilities could also arise with regard to areas used in the Group's previous operations and which the Group no longer owns or controls. Any possible financial liabilities for damage caused by the Group to the environment would depend on the gravity of the damage. Further, there may be instances where the actual polluter cannot be identified or no longer exists and the responsibility for the associated costs would fall upon the Group as the current owner of the property.

There can be no guarantees that the Group will be able to manage its environmental affairs in accordance with environmental laws and regulations as in force from time to time. Any future environmental laws that may be adopted or new interpretations or altered application practices of the existing ones may impose additional costs on the operations of the Group. Such liability for costs may also arise with regard to real estate properties that the Group owns or leases, has previously owned or leased, or where it has previously had operations.

Furthermore, inadequate compliance with environmental legislation or enforcement of new environmental regulations could lead to increased costs, preventing the Group from developing its businesses and affecting the results of operations. Further, increasing adoption of climate change-related legislation may negatively affect the Group's business if it fails to comply with changes in laws and regulations or to meet its customers' or other stakeholders' expectations. See section "*Risks relating to the Group's business operations – Delays in actions aimed at mitigating climate change and an increase in extreme weather phenomena can impact product availability and cause disturbances in logistics and the store site network*" and "*– Measures aimed at combatting climate change may require, to some extent, the restructuring of the Group's operations, which may have a material adverse effect on the Group's financial position and business operations*" above.

Changes in the costs related to environmental compliance and potential liabilities arising from non-compliance with environmental legislation or regulations could considerably increase the costs of the Group's operations. Should significant environmental damage occur or be discovered, such as a fuel leak or contamination of the soil, it could also have a negative effect on the Group's reputation. Any of these factors could have a material adverse effect on the Group's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfill its obligations under the Notes as well as the market price and value of the Notes.

The Group may fail in accurate and timely market disclosure

The Group adheres to a disclosure policy approved by its Board of Directors, as well as to applicable rules and regulations, in its investor communications and financial reporting. The Group's objective is to produce and publish reliable and timely information. Disclosure follows the principle of providing all market participants information in a timely manner and non-selectively to form the basis for the price formation of the Group's financial instruments such as shares. The Group's financial results are reported publicly through quarterly interim reports, a half-year report, and an annual financial statement release.

The Group is exposed to risks associated with market reporting. These include the potential for inaccuracies in financial data, delays in reporting, and non-compliance with evolving regulatory requirements. For instance, the implementation of the EU's Corporate Sustainability Reporting Directive ("**CSRD**") in 2024 will require significant adjustments to the Group's reporting practices. Significant business arrangements, tight disclosure schedules, and the dependency on information systems create challenges for the accuracy of financial information.

Failures in market reporting can lead to several negative outcomes. Non-compliance with reporting standards can result in fines and other regulatory actions. Inaccurate or delayed reporting can undermine investor and other stakeholder trust, leading to a decline in value of the Group's securities and increased cost of capital. Further, inaccurate financial data can lead to poor decision-making, affecting the Group's operational efficiency and profitability, and inaccurate public disclosures or regulatory non-compliance might ultimately lead to sanctions.

Despite the Group's internal control and risk management, the complexity of financial reporting and the potential for human error mean that the Group is exposed to the risk of reporting failures. Any failures in reporting to the market or reliable and timely market disclosure could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks relating to the Notes

Investors are exposed to credit risk in respect of the Issuer and may lose their investment in the Notes in whole or in part

Investors of the Notes are exposed to a credit risk in respect of the Issuer. The investors' right to receive interest payments and payments of principal under the Notes is, therefore, dependent on the Issuer's ability to fulfil its payment obligations, which, in turn, is largely dependent on developments in the Issuer's business and financial performance. If the Issuer's financial and operating performance declines or its operating income is not sufficient to service its current or future indebtedness, the Issuer may be forced to take actions such as reducing or delaying its business activities and investments, restructuring or refinancing its debt or seeking equity capital, and there can be no assurance that such remedies can be executed on satisfactory terms or at all.

An increased credit risk may also cause the market to charge the Notes a higher risk premium, which could affect the value of the Notes negatively. Another aspect of the credit risk is that a deteriorating financial condition of the Issuer may reduce the Issuer's possibility to obtain debt financing at the time of the maturity of the Notes and such debt financing might be needed for the Issuer to be able to meet its payment obligations under the Notes. In addition, should the Issuer become insolvent during the term of the Notes, the investors may forfeit interest payable on, and the principal amount of, the Notes in whole or in part.

Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rates. Market interest rates follow the changes in general economic conditions and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates and expectations of future interest rates.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls. If market interest rates fall, the price of a security with a fixed interest rate typically increases. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

The Notes constitute unsecured and unguaranteed obligations of the Issuer

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. The Notes are not guaranteed by any person or entity. No one other than the Issuer will accept any liability in respect of any failure by the Issuer to pay any amount due under the Notes.

This means that in the event of bankruptcy, reorganisation or winding-up of the Issuer, the Noteholders normally receive payment after any priority creditors have been fully paid. Accordingly, the prospects of the Issuer may adversely affect the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

There is currently no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes

The Notes constitute a new issue of securities by the Issuer. Prior to the contemplated Listing, there is no public market for the Notes. Although an application will be made to list the Notes on the Helsinki Stock Exchange, no assurance can be given that such application will be approved within the contemplated time frame, or at all. In addition, the listing of the Notes on the Helsinki Stock Exchange will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market. The liquidity and the market price for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market price of the Notes, which may trade at a discount to the price at which the Noteholder invested in the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes. Further, Noteholders may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Moreover, if additional and competing capital markets products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

The Notes may not meet the investment criteria for all investors seeking exposure to green assets

As specified in Condition 3 (*Use of Proceeds*) of the Terms and Conditions, the Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, in accordance with the Issuer's Green Finance Framework (for further information, see "*Green Finance Framework*"). Prospective investors should have regard to the information set out in the Terms and Conditions and the Green Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, no representation or assurance is given by the Issuer or the Joint Lead Managers that such use of proceeds will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required or intend to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the Green Finance Framework (including in relation to the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and any related technical screening criteria (the "**EU Taxonomy Regulation**"), the Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**"), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"), and any implementing legislation and guidelines, or any similar legislation).

If the Notes are listed or admitted to trading on any dedicated "green," "environmental," "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green," "environmental," "sustainable" or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, the Joint Lead Managers or any other person that such listing or admission, or inclusion in such index or indices, satisfied, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Joint Lead Managers or any other person that any such listing or admission to trading, or inclusion in such index or indices, will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading, or inclusion in such index or indices, will be maintained during the life of the Notes.

No representation or assurance is given by the Issuer or the Joint Lead Managers that any eligible projects or assets described in the Green Finance Framework will meet any or all present or future investor expectations as regards such "green" or "sustainable" performance objectives or similar labels (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation), nor can any assurance be given that there will be no adverse environmental or other impacts during the implementation of, or otherwise attributable to, any eligible projects or assets described in the Green Finance Framework. The Notes will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Green Finance Framework. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Notes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Notes that do not comply with those standards proposed under the EU Green Bond Regulation.

There can be no assurance that the eligible projects or assets described in the Green Finance Framework will be capable of being implemented in or substantially in the manner set out in the Green Finance Framework and that the proceeds from the issue of the Notes will be totally or partially disbursed for such eligible projects or assets or otherwise in accordance with the Green Finance Framework. Further, there can be no assurance that any eligible projects or assets described in the Green Finance Framework will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer, there is a risk that the Noteholders will not have appropriate or timely remedies, or any remedies at all, available in any such event or failure.

Any failure to use the proceeds from the issue of the Notes for eligible projects and assets, or any failure to meet, or continue to meet, the investment requirements of certain investors with respect to the Notes, may affect the value and/or market price of the Notes, and/or may have consequences for certain investors with investment criteria, which may cause one or more of such investors to dispose of the Notes held by them which may affect the value, market price and/or liquidity of the relevant Notes.

The second-party opinion and any post-issuance review on the Green Finance Framework may not be deemed reliable on an ongoing basis

Sustainalytics has in May 2024 provided the Issuer with a second-party opinion on the environmental credentials of the Issuer's Green Finance Framework confirming the credibility and alignment of the Issuer's Green Finance Framework with the Green Bond Principles 2021 published by the International Capital Markets Association and with the Green Loan Principles 2023 published by the Loan Market Association, Asia Pacific Loan Market Association and the Loan Syndications and Trading Association (the "**Second Party Opinion**") (for further information, see "*Green Finance Framework*"). In addition, the Issuer will publish a Green Finance Framework impact report annually, until full allocation and in the event of any material developments, and an independent verifier appointed by Kesko will provide, on an annual basis until full allocation, a statement that an amount equal to the net proceeds from Green Debt has been allocated to eligible Green Projects (post-issuance review). The provider of the Second Party Opinion is not responsible for the implementation of the Green Finance Framework, nor following up on the investments made under the Green Finance Framework and therefore, the opinion and the post-issuance reviews may be misleading on an ongoing basis. Further, the Second Party Opinion and the post-issuance reviews will only be current on the date such opinion or post-issuance review is issued and could be deemed irrelevant at a later stage. The providers of such post-issuance reviews and the Second Party Opinion might not be subject to any specific supervision or regulatory regime and there is a risk that they will be deemed as not being reliable or objective in the future.

No assurance or representation is given by the Issuer or the Joint Lead Managers as to the suitability or reliability for any purpose whatsoever of any opinion, including the Second Party Opinion, or certification of any third party which may be made available in connection with the Notes and in particular with any financing or refinancing of eligible green projects or otherwise in accordance with the Green Finance Framework to fulfil any environmental, sustainability, social and/or other criteria. Such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any Notes.

Neither of the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes. Any such event or failure to apply an amount equal to the net proceeds from the issue of the Notes for financing or refinancing eligible green projects or otherwise in accordance with the Green Finance Framework and/or withdrawal or amendment of any such third-party opinion or certification, and/or the amendment of any criteria on which such opinion or certification was given, or any such third-party opinion or certification stating that the Issuer is not complying or fulfilling relevant criteria, in whole or in part, with respect to any matters for which such opinion or certification is opining or certifying and/or such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid, may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Neither the Notes nor the Issuer are currently rated by any rating agency

Neither the Notes nor the Issuer are currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes as investors often base part of their decision to buy debt securities on credit ratings, and/or increase the borrowing costs of the Issuer. Furthermore, unrated notes may not be eligible for purchases for all institutions, and any absence of purchases may adversely affect the demand for the Notes in both primary and secondary markets, which could lower the overall liquidity of the Notes. A decrease in the liquidity of the Notes, in turn, may adversely affect the pricing of the Notes.

One or more independent credit rating agency may independently assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes.

The Notes carry no voting rights at the Issuer's general meetings of shareholders

The Notes carry no voting rights with respect to the general meetings of shareholders of the Issuer. Consequently, in the Issuer's general meetings of shareholders, the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer or any other matters relating to the Issuer, which could affect the Issuer's ability to make payments under the Notes.

The Issuer is not obliged to compensate for withholding tax or similar on the Notes.

In the event of any withholding tax, public levy or similar being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding tax or similar. Moreover, the Noteholders do not have any right to a premature redemption of the Notes based on the same.

Risks Related to the Terms and Conditions

The Notes do not, as a rule, contain covenants on the Issuer's financial standing or operations and do not limit its right to merge, demerge, effect asset sales or other significant transactions that may have a material adverse effect on the Notes and the Noteholders

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer or the Group. In particular, the Terms and Conditions do not, except as set forth in Condition 9 (*Change of Control*) and Condition 11 (*Events of Default*) of the Terms and Conditions, which grant the Noteholders the right to demand premature repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, demerger, asset sale or other significant transaction that could materially alter its existence, legal structure of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into any such transaction, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes may be materially and adversely affected.

The Issuer may incur additional debt and/or grant security and/or guarantees without the consent of the Noteholders

Except for the limitation set out in Condition 10 (*Negative Pledge*) of the Terms and Conditions, the Issuer is not prohibited from issuing further notes or incurring other debt ranking *pari passu* or senior to the Notes or restricted from granting any security and/or guarantees on any existing or future debt. Such issuance or incurrence of further debt or granting of security and/or guarantees may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer or worsen the position of the Noteholders in such winding-up or insolvency procedure, which could have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.

The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding

As specified in the Terms and Conditions, the Noteholders are entitled to demand premature repayment of the Notes in situations described in Condition 9 (*Change of Control*) and Condition 11 (*Events of Default*) of the Terms and Conditions at a price per Note equal to 100 per cent. of its nominal amount together with accrued but unpaid interest on the date of such repayment. The source for the funds required for any such repayment will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer, and there can be no assurance that the Issuer will have or will be able to generate sufficient funds to repay the Notes that have been requested to be prematurely repaid. Furthermore, such premature repayment may adversely affect the Issuer's financial condition and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes towards Noteholders who elect not to exercise their right to get their Notes prematurely repaid, as well as the market price and value of such Notes.

In addition, as specified in Condition 6.3 (*Clean-up Call Option*) of the Terms and Conditions, the Issuer is entitled to redeem the remaining outstanding Notes at their nominal principal amount together with any accrued but unpaid interest by notifying the Noteholders of such redemption, if at any time the aggregate principal amount of the outstanding Notes is 25 per cent or less.

Furthermore, the Issuer may redeem the Notes at any time prior to maturity in whole but not in part as specified in Condition 6.2 (*Voluntary Total Redemption*) of the Terms and Conditions. In case the date of the voluntary total redemption is on or after the date falling three (3) months prior to the Redemption Date, the redemption price is 100 per cent. of the outstanding principal amount of the Notes plus accrued but unpaid interest. In case the date of the voluntary total redemption is before the date falling three (3) months prior to the Redemption Date, the redemption price is the Make-Whole Redemption Amount as defined in and calculated in accordance with Condition 6.2 (*Voluntary Total Redemption*) of the Terms and Conditions plus accrued but unpaid interest. Any such early redemption initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes and may be incapable of reinvesting the redemption amount at a yield comparable to that offered by the Notes or to projects and/or securities meeting investment criteria or guidelines such investor or its investments are required or intend to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses.

In addition, as specified in Condition 18 (*Purchases*) of the Terms and Conditions of the Notes, the Issuer may at any time purchase Notes from the secondary market in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. The Issuer is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Amendments to the Terms and Conditions bind all Noteholders

Terms and Conditions may be amended in certain circumstances with the required consent of a defined majority of the Noteholders. The Terms and Conditions contain certain provisions, such as Condition 13 (*Noteholders' Meeting and Procedure in Writing*), for the Noteholders to convene and attend Noteholders' meetings or to initiate procedures in writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings or procedures in writing will bind all Noteholders, including those who did not attend and vote at the relevant meeting or procedure in writing and those who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including those who did not attend and vote at the relevant meeting or participate in the procedure in writing and those who voted in a manner contrary to the majority.

The right to receive payments under the Notes is subject to time limitations

Under Condition 16 (*Prescription*) of the Terms and Conditions, in case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become permanently forfeited. Such forfeiture may cause financial losses to such Noteholders who have not claimed payment under the Notes within the time limit of three (3) years.

CERTAIN MATTERS

Responsibility Statement

The Prospectus has been prepared by the Issuer and the Issuer is responsible for the information included in this Prospectus. To the best of the Issuer's knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Information about the Issuer

The business name of the Issuer is Kesko Corporation and its domicile is Helsinki, Finland. The Issuer is a public limited liability company (in Finnish: *julkinen osakeyhtiö*) incorporated and operating under the laws of Finland. The Issuer was established in October 1940 and registered in the Finnish Trade Register on 3 January 1941 under the business identity code 0109862-8 and its legal entity code (LEI) is 743700OX6HSVMCAHPB95. The Issuer's registered address is Työpajankatu 12, FI-00580 Helsinki, Finland and its phone number is +358 10 5311.

Special Cautionary Notice Regarding Forward-Looking Statements

Certain statements in this Prospectus, including but not limited to certain statements set forth under the chapters "*Risk Factors*", "*Selected Financial Information*" and "*Information About the Issuer*", may constitute forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These forward-looking statements reflect the beliefs of the Issuer's management and are based on certain assumptions made by the management and information currently available to it. Such forward-looking statements are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Prospective investors should not unduly rely on these forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, realised net sales or performance to differ materially from the results, net sales and performance expressed or implied in the forward-looking statements of the Issuer.

In addition to factors that may be described elsewhere in this Prospectus, such risks, uncertainties and other important factors include, among other things, the risks described in the section "*Risk Factors*". Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Issuer's actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described here as "anticipated", "believed", "estimated", "expected" or similar expressions. The forward-looking statements are not guarantees of the future operational or financial performance of the Issuer.

The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

Market Information and Information from Third-Party Sources

This Prospectus contains some information about the markets and industries in which the Group operates and the Group's competitive position therein. Such information is based on an analysis of multiple sources, including third-party sources and the Issuer's own internal estimates. In many cases, there is no publicly available information on such market data. The Issuer believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry sectors in which it operates as well as its position within these industry sectors. Although the Issuer believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and the Issuer cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Where certain market data and market estimates contained in this Prospectus have been derived from third-party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Joint Lead Managers have independently verified and cannot give any assurances as to the appropriateness of, such information. Should this Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the estimates of the management of the Group.

Presentation of Financial Information

The audited consolidated financial statements of the Issuer for the financial years ended 31 December 2023 and 31 December 2022, including auditor's reports for these periods, which are incorporated by reference into this Prospectus, have been prepared in accordance with the IFRS and audited by Certified Public Audit Firm Deloitte Oy, with Jukka Vattulainen, Authorised Public Accountant, as the auditor with principal responsibility. Jukka Vattulainen has been registered into the register referred to in Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended) (in Finnish: *tilintarkastuslaki*). There are no qualifications in the auditor's reports incorporated by reference pertaining to the Issuer.

The Issuer's unaudited consolidated financial information as at and for the six (6) months ended 30 June 2024, including comparative figures as at and for the six (6) months ended 30 June 2023 included in the unaudited half-year financial report 1-6/2024 published on 23 July 2024, which is incorporated by reference into this Prospectus, has been prepared in accordance with "IAS 34 – Interim Financial Reporting".

Except for audited consolidated financial statements of the Issuer for the financial years ended 31 December 2023 and 31 December 2022, no part of this Prospectus has been audited.

Alternative Performance Measures

Information incorporated into this Prospectus by reference and this Prospectus include certain financial measures, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. These alternative performance measures are comparable operating profit, comparable operating margin, comparable return on capital employed in per cents (rolling 12 months), EBITDA, interest-bearing net debt, interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16, gearing, %, Equity ratio, %. For detailed definitions of the above-mentioned alternative performance measures and reconciliation of certain key figures, see section "*Selected Financial Infromation – Definitions of Key Financial Indicators and Alternative Performance Measures*" and "*Selected Financial Infromation – Reconciliation of Certain Alternative Performance Measures*".

Kesko presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS to reflect business performance and profitability. These indicators should be examined together with the consolidated income statement, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS. For detailed information regarding the reasons for using each of the above-mentioned alternative performance measures, see section "*Selected Financial Infromation – Reasons for use*".

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures that should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way and, therefore, the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these alternative performance measures are not meant to be predictive of potential future results. The alternative performance measures presented in this Prospectus are unaudited unless otherwise stated. Accordingly, undue reliance should not be placed on the alternative performance measures presented in this Prospectus.

Second Party Opinions and External Verification

In connection with the Green Finance Framework, the Issuer has requested a provider of second party opinions, Sustainalytics, to issue a Second Party Opinion in relation to the Green Finance Framework. In addition, if the Issuer issues any securities under the Green Finance Framework, the Issuer will engage an external verifier, as required under the Green Finance Framework and the terms and conditions for such securities. The Second Party Opinion is accessible on the website of the Issuer. However, any information on, or accessible through, such website and the information in such Second Party Opinion or any past or future reports of an external verifier does not form part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to any securities issued under the Green Finance Framework. In addition, no assurance or representation is given by the Issuer, any other Group Company, second party opinion providers or any external verifiers as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with any offering of any securities under the Green Finance Framework. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus.

Additional Information

In this Prospectus, references to “€”, “euro” or “EUR” are to the currency of the Economic and Monetary Union of the EU. References to any other currencies or currency codes are to current currencies in accordance with ISO 4217 Currency Codes standard.

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based on upon the rounded numbers.

The completion of transactions relating to the Notes is dependent on Euroclear Finland’s operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland Oy (“**Euroclear Finland**”). Pursuant to the Act on the Book-Entry System and Clearing and Settlement (348/2017, as amended) (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*), the Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are perfected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

Noteholders holding interest in the Notes through nominee book-entry accounts (for example, in Euroclear or Clearstream, or through other custody or sub-custody arrangements so that the Notes are held on a nominee omnibus account in Euroclear Finland), will not be recorded as the legal or beneficial owners of such Notes under Finnish law and will therefore not be entitled to enforce any rights under the Notes directly against the Issuer. Such Noteholders should acquaint themselves with the terms of business of the respective clearing system or custodian, as applicable, with respect to indirect enforcement of their rights, as well as having regard to the possibility of transferring the Notes to a book-entry account with Euroclear Finland held directly by the Noteholders.

Legislative amendments may take place during the term of the Notes

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws and regulations, including, but not limited to, tax laws and regulations, governing the Notes may change during the term of the Notes and new judicial decisions may be given and new administrative practices may be implemented. The Issuer makes no representations as to the effect of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date hereof.

No Incorporation of Website Information

This Prospectus and possible supplements to this Prospectus will be published on the Issuer's website at https://www.kesko.fi/en/investor/. Other information on the Issuer's website or any other website, excluding the documents incorporated by reference to this Prospectus as set forth in "*Documents Incorporated by Reference*" do not form a part of this Prospectus.

Available information

The Prospectus will be available on or about 2 October 2024 on the website of the Issuer at https://www.kesko.fi/en/investor/.

Material interests

Danske Bank and OP are acting as Joint Lead Managers of the offering of the Notes. The interests of the Joint Lead Managers are normal business interests in the financial markets. The Issuer has entered into agreements with the Joint Lead Managers with respect to certain services to be provided by the Joint Lead Managers in connection with the offering of the Notes. The Joint Lead Managers will be paid a fee by the Issuer in respect of the offering and issue of the Notes. In addition, Danske Bank acted as the structuring advisor in conjunction with the Green Finance Framework.

In addition, the Joint Lead Managers and other entities within the same group and/or their affiliates have provided, and may provide in the future, the Issuer and the Group with investment, insurance, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. The Joint Lead Managers and other entities within the same group and/or their affiliates have also acted in the ordinary course of business as arrangers and lenders under certain loan agreements of the Issuer, and for which it has received, and may continue to receive, customary interest, fees and commissions. The Joint Lead Managers and their respective affiliates may hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities of the Issuer. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Lead Managers and/or their affiliates having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

OVERVIEW OF THE ISSUE OF THE NOTES

The additional information on the issue of the Notes below is an overview of certain key features of the Offering of the Notes. Any decision by an investor to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference into the Prospectus. Words and expressions in this section shall have the meaning defined in Appendix A – "Terms and Conditions of the Notes".

Decisions and authorisation:	Authorisation by the Board of Directors of the Issuer dated 17 September 2024.
Type of the Issue:	Individual issue of Notes offered to retail clients, professional clients and eligible counterparties.
Issuer:	Kesko Corporation, a Finnish public limited liability company.
Joint Lead Managers:	Danske Bank A/S and OP Corporate Bank plc.
Risk Factors:	Investing in the Notes involves risks. The principal risk factors relating to the Issuer and the Notes are described in more detail in section "*Risk Factors*" in this Prospectus.
Form of the Notes:	Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Finland Oy.
Depository and settlement system:	Euroclear Finland Oy, address Urho Kekkosen katu 5C, 00100, Helsinki, Finland.
Type of Notes:	Senior unsecured green notes with a maximum principal amount of EUR 300,000,000. The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set in Condition 19 (*Further Issues of Notes*).
ISIN Code of the Notes:	FI4000578224
Issue Price:	The issue price of the Notes is 99.317 per cent of the Nominal Amount in respect of the Notes issued on the Issue Date.
Minimum subscription amount:	EUR 100,000.
Denomination of a book-entry unit:	EUR 1,000 for each Note.
Issue Date:	2 October 2024
Final Maturity Date:	2 February 2030
Events of Default:	Non-Payment, Cross-default, Negative Pledge, Cessation of Business, Winding-up, Insolvency.
Interest:	The Notes bear fixed interest at the rate of 3.500 per cent per annum. Interest on the Notes will be payable annually in arrears commencing on 2 February 2025 and thereafter annually on each 2 February until the Notes have been repaid in full.

	Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 or, in the case of a leap year, 366 (Actual / Actual ICMA).
Effective yield:	3.646 per cent per annum.
Ranking of the Notes:	The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking pari passu among each other and at least pari passu with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
Paying and issuing agent:	OP Custody Ltd
Applicable Law:	Finnish law.
Description of restrictions on free transferability of the notes:	Each Note will be freely transferable after it has been registered into the respective book-entry account.
Listing:	There is currently no public market for the Notes. Following the issuance of the Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd and the Issuer shall maintain the Notes to be listed thereon as long as any Note is outstanding.
Interests of the Joint Lead Managers:	Ordinary business interest in the financial markets. The Joint Lead Managers and other entities within the same group and/or its affiliates have provided, and may in the future provide, the Issuer with investment, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. The Joint Lead Managers will be paid a fee by the Issuer in respect of the offering and issuance of the Notes.
Estimated net amount of the proceeds:	Approximately EUR 297,162,300.
Estimated expenses related to the Offering:	Approximately EUR 788,700.*
Use of proceeds:	The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for financing or refinancing eligible green projects or assets or otherwise in accordance with the Issuer's Green Finance Framework dated May 2024 (which is published on the website of the Issuer).

* Does not include potential discretionary fee element

INFORMATION ABOUT THE ISSUER

General

The business name of the Issuer is Kesko Corporation. The Issuer is a public limited liability company (in Finnish: *julkinen osakeyhtiö*) incorporated and operating under the laws of Finland and domiciled in Helsinki, Finland. The Issuer was founded in 1941 and registered in the Finnish trade register under the business identity code 0109862-8. The Issuer's registered address is Työpajankatu 12, FI-00580 Helsinki, Finland, and its legal entity identifier (LEI) code is 743700OX6HSVMCAHPB95.

According to the Article 2 of the Articles of Association of the Issuer, the Company acts as the parent company of the Kesko Group and conducts the operations specified later both by itself and through subsidiaries and joint ventures. The Company carries on wholesale trade in consumer goods and capital goods. The Company has consumer goods and other products made for it, and acts as an intermediary for raw materials, machines and equipment. The Company also engages in distribution, forwarding, department store trade and other retail trade and restaurant business. The Company provides services which support entrepreneurial-based retail trade in particular. The Company develops business and co-operation concepts for the retail trade, arranges the building of business premises and information management systems and sells and leases them, and acts as an intermediary for the products and services needed in retail trading. The Company engages in real estate and securities investment, as well as other investment activity. The Company can also carry out other operations related to the business operations specified in this section.

History

1940s: Kesko was established in October 1940 when four Finnish regional wholesaling companies founded by retailers - Savo-Karjalan Tukkuliike, Keski-Suomen Tukkukauppa Oy, Kauppiaitten Oy and Maakauppiaitten Oy - merged their operations. The new company began operations at the beginning of 1941.

1960s: In the 1960s, food retailing in Finland saw major changes. As people became less self-reliant in their daily grocery needs, fresh foods were added to store selections, and general stores began to evolve more into grocery stores. Kesko's ownership base was broadened, and the Company was listed on the Helsinki Stock Exchange in 1960.

1990s: During the 1990s, Kesko was changed significantly by the establishment of new grocery store formats and the transfer to chain operations. The forming of chain units and profit groups, and the incorporation of operations, created a more customer-oriented, profit-targeted operating model. Kesko acquired Rautia chain and Anttila Oy, and divested Keskometalli Oy. New growth was sought from markets in neighbouring countries, as well.

2000s: Entry into the Swedish and Baltic markets that had started in the mid-1990s gained momentum at the turn of the millennium. Major spearheads in the internationalisation process were the retailing of hardware and builders' supplies and the K-rauta format. Kesko also expanded its agricultural business to all Baltic countries. A network of hardware and builders' supplies stores was created in Sweden by building K-rauta outlets one by one. An acquisition in Lithuania (Senukai) expanded Rautakesko's activities in the Baltic countries in 2004 . In 2005, Rautakesko expanded into Norway and Russia by acquiring Byggmakker, a hardware and building materials chain in Norway, and Stroymaster, a St Petersburg DIY store chain.

2010s: Kesko divested the department store chain Anttila Oy in March 2015. Kesko acquired Suomen Lähikauppa in April 2016, Onninen Oy (together with its subsidaries "**Onninen**") in June 2016 and Oy Autocarrera Ab, which is responsible for importing and retailing Porsche in Finland, in November 2016. Kesko sold its grocery trade business in Russia in October 2017, and discontinued its building and home improvement trade operations in Russia in February 2018. In April 2017, Kesko sold its K-maatalous business, and in June 2017, Kesko sold Indoor Group Oy, which was responsible for Asko and Sotka furniture trade chains. In 2018, Kesko strengthened its Byggmakker chain in Norway by acquiring Skattum Handel AS and Gipling AS. In May 2019, Kesko acquired Fresks Group, which operates in the Swedish builders' merchant business. In 2019, Kesko acquired the Volkswagen, Audi and SEAT businesses from Länsiauto and Huittisen Laatuauto as well as the VW, Audi, SEAT businesses from Laakkonen, strengthening its car trade business.

2020s: In 2020, Kesko acquired Carlsen Fritzøe Handel, a hardware store chain in the Oslo area of Norway. In Sweden, Kesko acqured Mark & Infra i Sverige AB (MIAB) to be part of Onninen and Bygg & Interiör companies to be part of the K-Bygg chain. In 2021, Kesko acquired Byggarnas Partner and announced the acquisition of Kungälvs Trävaruaktiebolag in Sweden. In 2022, Kesko acquired the hardware store companies Djurbergs Järnhandel, Föllinge Såg, and XL-BYGG Bergslagen in Sweden and Seljord Elektriske in Norway. In January 2023, Kesko acquired Elektroskandia Norge AS in Norway. In August 2023, Kesko took its first step into Denmark's building and home improvement trade market, by acquiring Danish builders' merchant Davidsen Koncernen A/S, a Danish building materials retailer, and the acquisition was completed in January 2024. In May 2024, Kesko updated its strategy. For more information on the updated strategy, see section "–*Strategy*" below. Lastly, in August 2024, Kesko announced that it has agreed to acquire three builders' merchants in Denmark: Roslev Trælasthandel A/S, Tømmergaarden A/S, and CF Petersen & Søn A/S. At the date of this Prospectus, the completion of all three acquisitions is subject to the approval of the competition authorities and the fulfilment of certain other conditions.

Legal Structure and Organisation

At the date of this Prospectus, the Kesko Group consists of the parent company Kesko Corporation and over 100 subsidiaries and associate companies located in several different countries. In addition to Finland, Kesko operates in Denmark, Estonia, Latvia, Lithuania, Norway, Poland and Sweden.

A significant part of the Group's operations is conducted in Kesko's subsidiaries. Kesko is, therefore to a large extent, dependent on the receipt of sufficient income and cash flows from the operations of the other companies within the Group to service its debt under the Notes.

Strategy

Kesko's strategy focuses on profitable growth in the three core divisions: grocery trade, building and technical trade, and car trade. Kesko's key strategic themes include the constant improvement of customer experiences, further development of digital services, and sustainability. In June 2024, Kesko published its updated strategy for the years 2024-2026.

In grocery trade, Kesko strives to maintain its position as a customer-oriented and profitable grocery retailer both in physical stores and online as well as its market share. The division's growth strategy is based on store-specific business ideas, extensive utilisation of data, and strong digital capabilities, combined with efficient processes. Digitalisation of stores and processes is proceeding with easy-to-use tools to make store processes more efficient. Electronic shelf labels help improve customer satisfaction and make operations more efficient, while electronic in-store displays make stores even more effective marketing channels. Automation of supply chain and background processes further enhances efficiency. Digitalisation further aims to increase customer loyalty through targeted marketing, personal benefits and offers, digital Plussa money, and personal purchase trackers, such as a carbon footprint calculator, aiming to ensure a seamless customer experience irrespective of the channel.

Independent K-retailer entrepreneurs are responsible for the business ideas, and aim to ensure customer focus in the Group's extensive grocery store network in Finland. The Group is the second largest operator in Finnish grocery trade with 34.3 per cent market share in 2023 (according to Kesko's management's estimate, based on NielsenIQ Grocery Shop Directory date). Online grocery operations support sales in Kesko's physical stores. Kesko's strategic investments in new stores and updates to existing ones aims to strengthen Kesko Group's sales and customer satisfaction. The division aims to further strengthen its foodservice operator Kespro's market-leading position in the foodservice market in Finland (according to Kesko's management's estimate based on Kespro's market share measured in net sales in the Finnish Grocery Trade Association's foodservice wholesale peer group in 2023).[4]

In building and technical trade, Kesko will continue to strengthen its position in Northern Europe. In the core of the strategy is strong growth and profitability, cash flow generation, profitable growth through targeted

[4] The member companies of the Finnish Grocery Trade Association's foodservice wholesale business had a total revenue of EUR 2.5 billion euros in 2023. Source: https://www.pty.fi/kaupan-toiminta/paivittaistavaramarkkinat/foodservice-tukkukauppa/. Kespro had net sales of EUR 1,154.9 million in 2023.

acquisitions and winning market share in all markets as the construction outlook strengthens in 2025-2026. The division serves technical professionals, professional builders and consumers and the aim is to offer the best customer experience and digital services. Combined, B2B customers in technical trade and building and home improvement trade account for over 80 per cent of the division's sales. In Finland, Kesko is estimated by its management to have the largest market share in both building and home improvement business as well as technical trade. The Company aims to continue winning over market share, while in Sweden and Norway Kesko will focus on integrating past acquisitions and driving profitability. In Denmark, Kesko plans to finalize the integration of Davidsen and improve performance through growth. Growth is expected organically and through M&A.

In car trade, Kesko aims to offer the best customer experience on the market and to strengthen its market position in both new and used cars, and services in Finland. Kesko aims to achieve strong sales and EBIT improvement and focuses on performing better than the market. The division's growth strategy is based on a partnership with car manufacturer the Volkswagen Group and Porsche Group, more extensive utilisation of digitalisation, improved operational efficiency, and growing the sales of used cars and services. Kesko's objective is to improve customer satisfaction and strengthen profitability and market position in all businesses in the car trade division. Kesko's sports trade has been part of the car trade division since 1 April 2023. The net sales of Kesko's sports trade amounted to EUR 183.9 million for the financial year ended on 31 December 2023.

Sustainability

Sustainability is one of the key focus areas of Kesko's strategy and Kesko is one of the most sustainable trading sector operator in the world recognized in various independent assessments, including being ranked 124th by the TIME in its list of the world's 500 most sustainable companies.[5] Kesko aims to enable sustainable choices for its customers by promoting changes throughout Kesko's value chain. The four focus areas of the sustainability strategy are (i) climate and nature, (ii) value chain, (iii) people and (iv) good governance. All three business divisions encourage their customers to make sustainable choices – with food, construction or mobility.

SUSTAINABILITY STRATEGY

VISION

We enable sustainable choices for our customers and drive change throughout the value chain

FOCUS AREAS

Climate and nature
Value chain
People
Good governance

EXECUTION BY THE BUSINESS DIVISIONS

Grocery trade
Building and technical trade
Car trade

PROGRESS MEASURED USING INDICES AND ASSESSMENTS

Dow Jones Sustainability Indices, MSCI ESG, Sustainalytics, and CDP

Climate and nature

As at the date of this Prospectus, Kesko's near-term science-based targets, approved by the Science Based Targets initiative in 2021, are as follows:

- Kesko is committed to reducing its absolute Scope 1 and 2 greenhouse gas emissions from its own operations by 90% by 2030 from the 2020 baseline;

[5] Source: TIME: World's Most Sustainable Companies of 2024 (available at https://time.com/collection/worlds-most-sustainable-companies-2024/).

- Kesko is committed to ensuring that 67% of its suppliers and service providers by spend will have science-based targets by 2026; and
- Kesko is committed to reducing its absolute Scope 3 greenhouse gas emissions from the use of sold products by 17% by 2026 from the 2020 baseline.

However, The Science Based Targets initiative has updated the timelines for requiring Forest, Land and Agriculture (FLAG) science-based target setting during 2023, and as a result, Kesko is required to update its own targets during 2025.[6] See also section "*Risk Factors – Risks relating to the Group's business operations – Measures aimed at combatting climate change may require, to some extent, the restructuring of the Group's operations, which may have a material adverse effect on the Group's financial position and business operations*".

In 2023, the absolute emissions (Scope 1 and 2) from Kesko's own operations were 10.8 per cent higher than the 2020 baseline. This was mainly due to the increased emissions from the expansion of operations in other countries as a result of acquisitions, the increase in emissions caused by the consumption of purchased electricity in other operating countries as a result of significant changes in emission factors and the increase in emissions from transport as a result of higher total transport distances in Finland. Measured by spend in euros, 32.0 per cent of Kesko's suppliers have already set short-term science-based emissions reduction targets. In 2023, the absolute emissions from the use of products sold decreased by 76.8 per cent compared to the 2020 baseline. Significant reductions of emissions is due to updated and specified calculation, which reduces comparability between the years.

Value chain

Most of the economic benefit generated by Kesko's operations – around 83 per cent of Kesko's net sales – flows to suppliers. Purchasing local products and services creates economic benefits for Kesko's home country Finland and promotes local work. In 2023, Kesko had around 22,900 suppliers from whom purchases were valued at a minimum of EUR 1,000 during the year. Around 9,000 of these operated in Finland, around 11,500 in Kesko's other operating countries, and around 2,300 elsewhere. The purchases of goods by Kesko Group's Finnish companies totalled EUR 8.2 billion. Of these purchases, 79.9 per cent were from suppliers operating in Finland.

Finnish products are always primarily selected for Kesko's own Pirkka range, provided that the quality and price criteria are met. Pirkka product groups that are 100 per cent Finnish include, for example, milks and milk drinks, fresh meat products and eggs. More than 1,000 Pirkka products are manufactured in Finland, and they are manufactured in more than 200 companies across the country.

Additionally, the 'Thank the Producer' operating model is one of the ways in which Kesko supports Finnish agriculture. Under the operating model, the consumer price may be slightly higher for the products, which partly enables Kesko Group to pay an additional payment directly to the producers. In 2023, the operating model involved 32 partners and 112 products. Between 2015 and 2023, products sold under the 'Thank the Producer' model accrued more than EUR 9 million in additional money for farmers.

Kesko pays special attention to human rights issues and working conditions in its supply chain in countries with the greatest risk of human rights violations. In the risk assessment of supply countries, Kesko uses the amfori Country Risk Classification, based on Worldwide Governance indicators published by the World Bank. In addition, Kesko is a member of amfori, an association promoting sustainable trade, and takes part in amfori BSCI (amfori Business Social Compliance Initiative). In accordance with amfori BSCI guidelines, an amfori BSCI Code of Conduct contract clause is added to supplier agreements. Additionally, Kesko uses global social responsibility audit and certification systems, primarily regular amfori BSCI audits, in the assessment of working conditions at factories and plantations in risk countries. In 2023, 97 per cent of Kesko's direct suppliers in risk countries had been audited for social responsibility. The figures concern direct purchases in Finland.

Kesko has several policies related to sourcing of products containing raw materials that have been identified as being critical in terms of social and environmental responsibility. The policies include no deforestation policy,

[6] Source: SBTi FLAG Project: New Implementation Timelines Announced (available at https://sciencebasedtargets.org/blog/sbti-flag-project-new-implementation-timelines-announced).

palm oil policy, soy policy, timber and paper policy, coffee and tea policy, cocoa policy, cotton policy, plastics policy, packaging policy, fish and shellfish policy and animal welfare policy.

People

The average number of personnel employed by Kesko was 15,256 between 1 January 2024 and 30 June 2024, and as at 30 June 2024 Kesko employed 19,025 employees. Kesko and K-retailers combined employed 39,000 people, and overall Kesko, K-retailers and Kesko Senukai employed approximately 45,000 people in 2023. Responsibility for people means promoting the safety, wellbeing and diversity of Kesko personnel as well as equity in the working community. In 2023, Kesko set concrete targets to promote diversity and equity. Kesko's DEI targets include a diversity and inclusion index score of > 85, 33 per cent of underrepresented gender in the Group Management Board by 2030, 33 per cent of underrepresented gender in the division management teams by 2030 and zero unfounded pay differences.

Kesko has established an Employee Equality and Diversity Group in accordance with its non-discrimination plan, which deals with matters related to non-discrimination and equality within the Group. The Employee Equality and Diversity Group includes representatives of the employer, personnel and occupational safety and health administration. No cases of discrimination were reported in 2023.

Good governance

Sustainability is a core part of Kesko's strategy. Sustainability work is guided by Kesko's sustainability policy, sustainability strategy and K Code of Conduct guidelines. Kesko is committed to several international declarations and conventions, the most important of which are: the UN Universal Declaration of Human Rights and UN Convention on the Rights of the Child, the OECD guidelines for Multinational Corporations, the ILO convention on the Fundamental Rights and Principles at Work, the UN Global Compact initiative and the UN Sustainable Development Goals (SDGs).

At the highest level, sustainability management is carried out by Kesko's Board of Directors and President and CEO. The Board approves the sustainability strategy and the strategic targets and monitors the progress of the strategy on an annual basis. Sustainability work is led by Kesko's Executive Vice President of Legal and Sustainability who is a member of the Group Management Board and reports directly to the President and CEO, who has overall responsibility for the implementation of the sustainability strategy and for achieving the common objectives.

The Group aims to ensure ethical business conduct and compliance by following the K Compliance operating model and K Code of Conduct approved by Kesko's Board of Directors. In 2023, Kesko's K Compliance programmes included data protection, competition law and a trade sanctions and export control programme, as well as anti-bribery and anti-corruption. In 2023, the focus areas in ensuring compliant and ethical business conduct were training the personnel and performing compliance audits in accordance with to the annual plan. More than 1,400 people participated in targeted training sessions, and employees also completed more than 12,500 online training sessions on compliance. In 2023, a total of 78 reports were submitted through the SpeakUp channel, of which 67 required investigative measures. The reports were related to the operations of Kesko, K-stores or Kesko's subcontractors. No incidents of serious misconduct were identified based on the reports submitted in 2023. In 2023, no corruption-related lawsuits against any Kesko Group company came to Kesko's knowledge. No observations of breaches of anti-bribery and anti-corruption rules in Kesko were reported through the SpeakUp channel either in 2023.

Financial targets

The Board of Directors of Kesko has adopted the following financial targets for Kesko:

- Comparable operating margin, %: over 6%;
- Comparable return on capital employed, %: over 14.5%; and
- Interest-bearing net debt/EBITDA, excluding the impact of IFRS 16: at maximum 2.5.

The statements set forth above include forward-looking statements and are not guarantees of Kesko's performance in the future. Kesko's actual results of operations and financial condition could differ materially *from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in sections "Certain Matters — Special Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors". Undue reliance should not be placed on these forward-looking statements.*

For the year ended 31 December 2023, Kesko's comparable operating margin was 6.0 per cent, comparable return on capital employed was 13.4 per cent and Interest-bearing net debt/EBITDA, excluding the impact of IFRS 16 was 0.7.

Outlook and Guidance

This section "Outlook and Guidance" contains forward-looking statements. Forward-looking statements do not guarantee future development and the actual market development of Kesko. The financial performance of Kesko or the financial results actually achieved may materially differ from what has been presented in or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "Certain Matters — Special Cautionary Notice Regarding Forward-looking Statements" and "Risk Factors". Kesko advises to take a cautious view on these forward-looking statements, which are valid only as at the date of this Prospectus. The following discussion has been prepared on a basis which is (i) comparable with Kesko's historical financial information and (ii) consistent with Kesko's accounting policies.

Kesko's guidance set out below is based on, inter alia, the estimates and assumptions made by Kesko's management and other items. The below guidance was first given in Kesko's half-year financial report 1-6/2024, published on 23 July 2024 and incroporated by reference to this Prospectus. The key factors affecting the outlook that Kesko can affect are, for example, the ability to adapt to changes in consumer behaviour as well as the efficiency and scope of Kesko's own operations. Factors beyond Kesko's control are e.g. developments in inflation and interest rate levels, and geopolitical crises and tensions.

Kesko Group's profit guidance is given for the year 2024, in comparison with the year 2023.

Kesko's operating environment is estimated to remain challenging in 2024.

Kesko's net sales and operating profit are estimated to remain at a good level in 2024 despite the challenges in the company's operating environment. Kesko estimates that its comparable operating profit in 2024 will amount to EUR 620–680 million. Previously, on 25 April 2024, the comparable operating profit was estimated to amount to EUR 620–700 million. The profit guidance specification is based on development in the first year-half and on updated estimates regarding development in building and technical trade and car trade in latter half of the year.

The profit guidance is based on an estimate of a relatively short recession in Kesko's operating countries. Key uncertainties impacting Kesko's outlook are developments in inflation and interest rate levels, and geopolitical crises and tensions.

In grocery trade, B2C trade and the foodservice market are expected to remain stable despite tightened price competition, and inflation is expected to slow down in 2024. Profitability in grocery trade is estimated to remain good also in 2024.

In building and technical trade, the market is expected to continue to decline in 2024. The economic cycle will have the biggest impact on new residential building, while the decline in other building construction, renovation building and infrastructure construction is expected to be smaller. The cycle is expected to turn in 2025. Profitability in building and technical trade is estimated to fall short of the 2023 level, but to still remain at a reasonably good level in 2024.

In car trade, new car sales are expected to fall short of the 2023 level. Sales of used cars and services are expected to grow. Profitability in car trade is estimated to still remain good in 2024, but to fall short of the 2023 level.

Business Operations

Overview

Kesko is a Finnish trading sector company. Kesko operates in grocery trade, building and technical trade, and car trade. Kesko's business divisions and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko utilizes around 1,800 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland and Denmark.

The business models applied in Kesko's sales to consumers are retailing through retailer entrepreneurs and Kesko's own retailing. Kesko is also engaged in Business-to-Business (B2B) sales. The principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in Kesko's chains, namely the grocery store chains, and the K-Rauta and Intersport chains. Through its chain operations, Kesko provides a setting for its retailers to provide services to their customers. Kesko is responsible for the continuous development of the operating model and store concepts, for steering chain operations, and for purchasing products included in chain selections. Kesko is also responsible for the store site network and for obtaining new store sites. Kesko either owns or leases the store sites and is responsible for developing them. The K-retailer implements the chain concept and is responsible for store management, customer satisfaction, personnel and business profitability. Kesko Group's management estimates that the Group's competitive edge is based on its selections, service and knowledge of customer needs.

In 2023, approximately 46 per cent of Kesko's net sales came from sales to retailers, while Kesko's own retailing and B2B trade accounted for approximately 54 per cent of net sales. In Finland, Kesko's own retailing and B2B trade comprise e.g. car trade, Kespro, Onninen, non-food sales at K-Citymarket hypermarkets, and part of the Intersport sales and Budget Sport. B2B trade has been a strongly growing part of Kesko's business operations, measured in share of total net sales. Outside Finland, Kesko mainly engages in own retailing and B2B trade. Net sales from international operations totalled approximately EUR 2.1 billion, or 18 per cent, of Kesko's net sales in 2023.

The following table sets forth certain key financial information for Kesko by reporting division for the periods indicated:

	For the year ended		For the six months ended	
	31 December 2023	31 December 2022	30 June 2024	30 June 2023
	(audited, unless otherwise indicated)		(unaudited)	
Net sales (EUR in millions)				
Grocery trade	6,351.6	6,124.7	3,111.6	3,119.0
Building and technical trade	4,193.2	4,591.1	2,167.3	2,171.8
Car trade	1,262.3	1,124.8	584.9	654.1
Operating profit, comparable (EUR in millions)				
Grocery trade	444.8	460.4	197.0	202.3
Building and technical trade	212.5	323.8	62.9	102.0
Car trade	82.6	64.3	31.3	43.8
Operating margin, comparable, %				
Grocery trade	7.0(1	7.5(1	6.3	6.5
Building and technical trade	5.1(1	7.1(1	2.9	4.7
Car trade	6.5(1	5.7(1	5.4	6.7
Return on capital employed, comparable, %, rolling 12 months				
Grocery trade	17.4	19.6	16.5	18.5
Building and technical trade	11.4	19.1	8.5	14.9
Car trade	15.8	14.7	13.6	15.8
Capital expenditure (EUR in millions)				
Grocery trade	303.7(1	257.6(1	170.2	150.3
Building and technical trade	273.0(1	108.2(1	235.6	191.8
Car trade	80.3(1	45.1(1	44.1	40.0

Personnel, average				
Grocery trade	6,257	6,288	6,282	6,251
Building and technical trade	6,073	5,871	6,540	6,092
Car trade	1,531	1,519	1,528	1,538

1) Unaudited

Grocery trade

The grocery trade division comprises of grocery store chains (K-Citymarket, K-Supermarket and K-Market) and Kespro. Kesko's management estimates the Group to be the second largest grocery trade operator in Finland (by market share, based on NielsenIQ Grocery Shop Directory date), with approximately 900 independent K-retailers and 1.2 million daily customers at 1,200 grocery stores utilized by Kesko Group in its operations. Over 700 of the stores also offer online grocery services, and many offer also fast deliveries in collaboration with Wolt Enterprises Oy ("**Wolt**"). According to Kesko's management's estimate (based on NielsenIQ Grocery Shop Directory date), Kesko's grocery trade market share in Finland was 34.3 per cent in 2023.

Kespro is Kesko's own business, and the leading foodservice wholesale company in Finland, measured in market share (according to Kesko's management's estimate based on the information of the Finnish Grocery Trade Association). Kespro accounts for 18 per cent of Kesko's grocery trade business, with net sales of EUR 1,154.9 million and an operating profit of EUR 75.0 million in 2023. Kespro's customers include restaurants, hotels, cafes, service stations, public institutions, Kesko Group stores and retailers. Approximately 70 per cent of Kespro's EUR 1.1 billion net sales came from digital channels in 2023. The selections include Kesko's own brands, which accounted for approximately 50 per cent of Kespro's sales in 2023. Approximately 70 per cent of Kespro's sales came from lunch restaurants, employee cafeterias, and public entities in 2023. Kespro has 13 cash-and-carry outlets across Finland and an online wholesale store. According to Kesko's management's estimate Kespro's foodservice wholesale market share in 2023 was 47.9 per cent.

The grocery trade division includes Kesko's own private labels, K-Menu and Pirkka, which play a key role in the grocery trade divisions success. In 2023, the private labels accounted for over 20 per cent of retail sales in the grocery trade division. At the end of 2023, there were in total approximately 2,600 Pirkka products and approximately 200 K-Menu products.

The introduction of online grocery business in recent years has had a positive impact on the grocery trade division. At the end of 2023, over 700 Kesko Group grocery stores offered online services. Online grocery sales in 2023 grew by 5.7 per cent and totalled approximately EUR 249 million. Online sales accounted for approximately 3.2 per cent of the grocery trade division's sales in 2023. Approximately 70 per cent of online orders are home deliveries, which remains the most popular order type. The fastest growing area in online grocery is the express delivery concept offered together with Wolt. At the end of 2023, approximately 300 Kesko Group grocery stores around Finland offered express deliveries, covering a range of as many as 5,000 grocery store products.

Building and technical trade

Kesko's building and technical trade division comprises of technical trade and building and home improvement trade. In 2023, 50 per cent of the division's net sales came from outside Finland and over 80 per cent from B2B trade. The division utilizes some 500 stores and offers extensive online services via its chains.

The technical trade business is operated through Kesko's subsidiary Onninen, which was acquired in 2016. Technical trade is Kesko's own retailing, and wholly directed at professionals: technical contractors, industry, infrastructure builders, and retailers. In addition to Finland, Onninen operates in Estonia, Latvia, Lithuania, Norway, Poland and Sweden. In 2023, net sales for technical trade totalled EUR 2,344.7 million. According to Kesko's management's estimate, Onninen is the market leader in Finnish technical trade, with a market share of 45 per cent. Onninen's net sales in Finland in 2023 totalled EUR 1,234.0 million. Digital sales have become significantly more important for Onninen, and in 2023 accounted for over 30 per cent of Onninen's sales in Finland. Norway is the second biggest market for Onninen, and net sales of Onninen totalled EUR 517.5 million in 2023 in Norway. In Norway, Onninen only focuses on the electricity product categories. The acquisition of Elektroskandia Norge AS in 2023 further strenghtened Onninen's position in electrical wholesale in Norway.

Kesko's building and home improvement chains are K-Rauta (Finland and Sweden), K-Bygg (Sweden) and Byggmakker (Norway). The K-Rauta stores in Finland are run by K-retailer entrepreneurs. In addition, Kesko strenghtened its building and home improvement trade by acquiring Davidsen Koncernen A/S in January 2024, and expanded its operations to Denmark. Net sales for building and home improvement trade totalled EUR 1,912.1 million in 2023. Building and home improvement trade serves both B2B customers (two-thirds of retail sales) and consumers (one-third of retail sales). According to Kesko's management's estimates, K-Rauta Finland's market share of the Finnish building and home improvement market was 49 per cent in 2023. Norway is the second largest operating country for Kesko's building and home improvement business, measured in net sales. Kesko's building and home improvement business' net sales in Norway were EUR 656.3 million in 2023.

In August 2023, Kesko announced it would concentrate its Swedish building and home improvement trade operations under the K-Bygg chain. By the end of 2024, Swedish K-Rauta stores will either be converted into K-Bygg stores or closed.

Joint venture Kesko Senukai operates in the Baltic countries. The joint venture Kesko Senukai is a part-owner in OMA, a Belarussian building and home improvement trade chain.

Car trade

Kesko's car trade division comprises of the new car business, used car business and service business as well as sports trade, which has been part of the car trade division since 1 April 2023, having previously been reported under building and technical trade.

Kesko's car trade is operated throught the K-Auto brand. The car trade division's operations comprise the import and sales of new cars, used car sales, leasing, extensive servicing, repairs and other services, and K-Lataus EV charging. The brands imported and sold by K-Auto are Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen Commercial Vehicles in Finland, and SEAT and CUPRA in the Baltics. In 2023, K-Auto's market share of first registrations in Finland was 14.9 per cent, as the total number of first registrations of passenger cars and vans imported by K-Auto was 14,677 while there were 87,508 first registrations of passenger cars and 11,023 of vans in Finland.[7] K-Auto has over 1.3 million customers, served by some 1,300 professionals.

Kesko launched its K-Lataus EV charging network in 2018, and it has since grown and expanded across Finland. At the end of 2023, K-Lataus hosted over 1,500 charging points at approximately 300 stations. All electricity at K-Lataus stations is renewable energy, generated with Finnish wind power.

In 2023, the car trade divisions net sales were EUR 1,262.3 million, of which EUR 1,078.6 million came from the car trade business and EUR 183.9 million from the sports trade business. In 2023, new car sales accounted for approximately 54 per cent of K-Auto's net sales, used car sales for approximately 27 per cent and services for approximately 19 per cent.

Kesko's sports trade comprises of the Intersport and Budget Sport chains in Finland. Accroding to Kesko's management's estimates, Intersport is Finland's market leader in the sports trade (by net sales). The Intersport chain utilizes over 50 stores and an extensive online store, and focuses on good service, high-quality products, diverse maintenance services and providing an expert shopping experience. The Budget Sport chain utilizes ten stores across Finland as well as an online store, and focuses on making the shopping of sports trade products quicker, easier and less expensive.

In 2023, the Finnish sports trade market totalled approximately EUR 1.3 billion (according to the Fashion and Sports Commerce association), and Kesko's sports trade held a market share of approximately 24 per cent, according to Kesko's management's estimates.

[7] Source: Netwheels and Finnish Transport and Communications Agency, (available at: https://www.aut.fi/tilastot/ensirekisteroinnit/kuukausittain/2023).

Operating Environment and Trend Information

The general economic development, consumer confidence, employment trends, inflation, level of public and household debt and interest rates, among other factors, have an impact on the Group's business operations. The Group operates in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland and Denmark, and therefore the economic development of those countries, is one of the main factors impacting the Group's business operations.

Kesko's operating environment is impacted by various global megatrends such as globalisation, urbanisation and ageing population, growing importance of data, digitalisation, artificial intelligence and sustainability as well as changing consumer trends, such as effortlessness and individuality in customer behaviour, constant adjustment of selections and multichannel sales.

Globalisation has heightened the importance of supply chain security and risk management due to geopolitical tensions and market disruptions. Reliable Urbanisation and an ageing population are reshaping demographics and consumption patterns, impacting living standards, mobility, and consumer behaviour, and creating regional disparities in service demand. Data and digitalisation, including AI and analytics, are transforming the competitive landscape as companies leverage data use, robotics and automation for efficiency. Sustainability is a key priority, driven by regulatory requirements and awareness of environmental and social issues. Consumer behaviour is rapidly changing, with a focus on individuality and convenience. Customers seek personalised products and services, and there is a growing interest in sustainability, well-being, and locally produced goods, reflecting broader shifts in consumer values. Kesko estimates that its operating environment will remain challenging in 2024, for more information see section "– *Outlook and guidance*" above.

Legal and arbitration proceedings

The Finnish Competition and Consumer Authority (the "**FCCA**") has been investigating Kesko Group company Onninen's suspected violation of competition law for almost 10 years, and finally decided on 8 September 2022 to take the matter to the Market Court. The investigation has concerned a wide range of companies operating in the HPAC infra plastic pipe product market in Finland. The FCCA proposes a penalty payment of EUR 16 million for Onninen for the alleged infringement. The suspected violation concerns almost in its entirety a period of time before Kesko acquired the capital stock of Onninen from Onvest Oy on 1 June 2016. Consequences resulting to Onninen from the investigation were addressed in the acquisition terms and conditions. Onninen denies the FCCA claims of suspected violation of competition law as unfounded. Kesko is not suspected of participation in the alleged infringement. In its decision on 28 August 2024, the Market Court dismissed the penalty payments proposed for Onninen and the other companies. In addition, the Market Court ordered the FCCA to reimburse Onninen for litigation costs. The decision has not gained legal force yet, and the FCCA may appeal the decision.

Kesko has disclosed, for example in its financial statements 2023, that it was party to an arbitration and a legal proceeding concerning the shareholder agreement of Kesko's joint venture UAB Kesko Senukai Lithuania and the disagreements concerning the management and development of the company and its subsidiary. The other parties to these legal proceedings have included, for example, the minority shareholders of UAB Kesko Senukai Lithuania. The arbitration process ended during 2023 and the judgement given is final. In the legal proceeding concerning the annulation and reversal of the arbitral award issued in 2022, the District Court of Helsinki gave its decision in 2023. The opposing parties have appealed the District Court decision to the Helsinki Court of Appeal, where the matter is pending.

Although according to Kesko's management's estimate, the outcome of pending disputes and legal and authority proceedings is unlikely to have any material impact on the Group's financial position, the outcome of disputes and legal and authority proceedings is difficult to predict.

Apart from what is presented above, there are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Issuer is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Material agreements

There are no contracts (other than contracts entered into in the ordinary course of business) that have been entered into by the Issuer or any Group Company that are, or may be, material or which contain any provision under which the Issuer or any Group Company has any obligation or entitlement that is material to the Issuer's ability to fulfil its obligations under the Notes.

Significant Changes in the Issuer's Financial Performance or Position

There has been no significant change in Kesko's financial performance or position since 30 June 2024, which is the last day of the financial period for which the most recent unaudited interim report of the Issuer has been published.

Material Adverse Changes in the Issuer's Prospects

There has been no material adverse change in the prospects of the Issuer since 31 December 2023, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published.

SUMMARY OF RECENT DISCLOSURES

*The following summary sets forth information disclosed by the Issuer pursuant to the Market Abuse Regulation (EU) No 596/2014 ("**MAR**") over the last 12 months preceding the date of this Prospectus, which, to the Issuer's knowledge, is still relevant as at the date of this Prospectus.*

The following summary does not discuss periodic financial reporting nor other disclosure obligations other than those pertaining to MAR. Therefore, the summary is not exhaustive and does not discuss all stock exchange releases issued by the Issuer during the above-stated time period.

Information disclosed pursuant to MAR

Disclosure of managers' transactions

Persons discharging managerial duties in Kesko carried out transactions in Kesko's securities during the last 12 months preceding the date of this Prospectus. In accordance with the applicable rules, Kesko disclosed the notifications it had received concerning such transactions, part of which notifications were related to share-based commitment and incentive plans.

Changes in the President and CEO

On 8 December 2023, Kesko announced that Kesko's President and CEO at the time, Mikko Helander, would retire from his position during 2024, and the Board of Directors had initiated the process of finding a successor.

On 19 December 2023, Kesko announced that the Board of Directors of Kesko Corporation had appointed Jorma Rauhala as the Managing Director of Kesko Corporation and President and CEO of Kesko Group as of 1 February 2024.

GREEN FINANCE FRAMEWORK

The below is an overview Kesko's Green Finance Framework established in May 2024 and the related Second Party Opinion. The overview is not exhaustive and should be read in conjunction with the Green Finance Framework and the related Second Party Opinion.

General

In May 2024, Kesko established a Green Finance Framework applicable for the issuance of green debt instruments to further integrate its ambitious sustainability targets into its financing (for further information on Kesko's sustainability targets, see "*Information about the Issuer – Sustainability*"). The purpose of Kesko's Green Finance Framework is to support the issuance of green bonds and loans to allocate capital to investments that promote Kesko's environmental targets in minimising impact on climate and nature. The Green Finance Framework is a natural step in the work to promote these targets through green projects, such as investing in green and energy-efficient buildings, wind and solar power, as well as clean transportation.

The Green Finance Framework is developed to align with the Green Bond Principles published in 2021 by the International Capital Market Association ("**ICMA**"), including the updated appendix 1 of June 2022, and the Green Loan Principles published in 2023 by the European Loan Market Association ("**LMA**"), the Asia Pacific Loan Market Association ("**APLMA**") and the Loan Syndication Trading Association ("**LSTA**").

The following four (4) core components of the Green Loan Principles and the Green Bond Principles, along with the recommendation of an external review, form the basis of the Green Finance Framework:

- Use of Proceeds.
- Process for Project Evaluation and Selection.
- Management of Proceeds.
- Reporting.

The Green Finance Framework allows Kesko to raise capital via green bonds and loans (the "**Green Debt**"). According to the Green Finance Framework, the terms and conditions of the underlying documentation for each Green Debt instrument shall provide a reference to the Green Finance Framework, which defines the investments eligible for financing by Green Debt issued Kesko. Processes for identifying, selecting and reporting on the eligible green projects, and the set-up for tracking the allocation of net proceeds from Green Debt are also outlined in the Green Finance Framework.

Use of Proceeds

According to the Green Finance Framework, an amount equal to the net proceeds from Green Debt will finance, in whole or in part, investments undertaken by Kesko or its subsidiaries[8], in each case as determined in accordance with the green project categories defined in the Green Finance Framework (the "**Green Projects**"). The Green Projects may include the value of fixed assets (Assets), capital expenditures (CapEx) and/or operational expenditures (OpEx), which together will form a portfolio of assets eligible for financing and refinancing with Green Debt. The overarching goal of the Green Projects is to substantially contribute to climate change mitigation and reduce the environmental impact across Kesko's strategic business areas of grocery trade, building and technical trade, and car trade.

For a Green Project to be eligible, the investment activities will be related to development, construction, modernisation, operation or installation of green and energy efficient buildings, renewable energy, and clean transportation.

In the Green Finance Framework, new financing is defined as allocated amounts to Green Projects financed within or after the issuance year, and refinancing is defined as allocated amounts to Green Projects financed prior to the issuance year. Asset values and CapEx will qualify for refinancing without a specific look-back

[8] In the case of joint ownership (associates and joint ventures), Kesko will only finance its share of the asset value and account for the related impact.

period, while OpEx qualify with a maximum three-year look-back period prior to the issuance year.

The following table presents Kesko's Green Project categories:

Table 1: Green Projects

<table>
<tr><td colspan="2">Project Category: Green and energy efficient buildings</td></tr>
<tr><td>EU Taxonomy environmental objective and activities:

<u>Climate change mitigation</u>

7.1. Construction of new buildings
7.2. Renovation of existing buildings
7.7. Acquisition and ownership of buildings</td><td>United Nations Sustainable Development Goal:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</td></tr>
<tr><td colspan="2">Project description:

<u>New buildings[9]:</u> New buildings that have or will have a net Primary Energy Demand (PED) at least 10% lower than the level required by the national building regulation for nearly zero-energy buildings. For buildings larger than 5,000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity and the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle.

<u>Existing buildings[10]:</u> Buildings with an Energy Performance Certificate (EPC) of class A or qualifying within the top 15% most energy efficient buildings within the national building stock, expressed as PED and demonstrated by adequate evidence, e.g. through a specialist study.

<u>Major renovations:</u> Building renovations comply with the requirements applied to major renovations or lead to a total reduction in primary energy demand per square meter and year (kWh/m²/year) by at least 30% compared to the primary energy demand prior to renovation.

<u>Building energy efficiency measures:</u> Direct costs (e.g. material, installation and labour costs) for the installation, maintenance and repair of energy efficient technologies or other energy saving measures during the construction, maintenance and service phase of a building. These measures may include energy efficient refrigeration display cases and cold rooms, energy management systems, AI and data solutions, energy efficient and low U-value windows, energy efficient lighting, heat exchangers and ventilation, extended or improved thermal insulation, and electric heat pumps (where the global warming potential (GWP) of refrigerants does not exceed 675).</td></tr>
<tr><td colspan="2">Project Category: Renewable energy</td></tr>
<tr><td>EU Taxonomy environmental objective and activities:

<u>Climate change mitigation</u>

4.1. Electricity generation using solar photovoltaic technology
4.3. Electricity generation from wind power</td><td>United Nations Sustainable Development Goal:

7 AFFORDABLE AND CLEAN ENERGY</td></tr>
<tr><td colspan="2">Project description

<u>Solar power and Wind power:</u></td></tr>
</table>

[9] New buildings are defined as buildings where the building application was filed on or after 1 January 2021.

[10] Existing buildings are defined as buildings where the building application was filed on or before 31 December 2020.

<table>
<tr><td colspan="2">

- Photovoltaics (PV) and related infrastructure.
- Expenditures related to long-term (≥ 5 years at signing), project-tied power purchase agreements (PPAs).

</td></tr>
<tr><td colspan="2">Project Category: Clean transportation</td></tr>
<tr><td>

EU Taxonomy environmental objective and activities:

Climate change mitigation

6.5. Transport by motorbikes, passenger cars and light commercial vehicles
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings

</td><td>

United Nations Sustainable Development Goals:

</td></tr>
<tr><td colspan="2">

Project description:

Low carbon transportation:

- Purchase/lease of passenger cars and vans with zero emissions and emissions less than 50g CO_2 /km.[11]
- EV charging infrastructure.
- Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.
- Projects include Kesko's K-Lataus stations in Finland and charging stations installed at store sites in Kesko's other operating countries.

</td></tr>
</table>

Exclusions

According to the Green Finance Framework, the net proceeds from Green Debt will not be used to finance fossil fuel powered facilities and equipment.

Process for Green Project Evaluation and Selection

Kesko's overall management of environmental, social, corporate governance and financial risks form a core part for its decision-making process. The process for the evaluation and selection of eligible Green Projects is based on the same standard due diligence procedures and decision-making. The evaluation and selection process for eligible Green Projects is a key component in ensuring that an amount equal to the Green Debt proceeds is allocated to Green Projects eligible under the Green Finance Framework.

Kesko has established a Green Finance Committee to evaluate and select eligible Green Projects and to allocate the net proceeds from Green Debt to such assets. The Green Finance Committee consists of the Chief Financial Officer, Head of Sustainability and Group Treasurer, and will convene at least annually.

As a part of the investment process, which is managed by Kesko's finance department, new and existing investments will be prepared and presented as potential Green Projects to the Green Finance Committee. The Green Finance Committee will then review the potential Green Projects and make the final decision whether the project will be added to the relevant Green Project portfolio. A decision to allocate the net proceeds from Green Debt will require a consensus decision, giving each committee member a veto power. The Green Finance Committee holds the right to exclude any eligible Green Project already funded if the project no longer meets the eligibility criteria defined in the Green Finance Framework. If an eligible Green Project for any reason loses its eligibility, funds will then follow the procedure described below under "*– Management of Proceeds*" until reallocated to other eligible Green Projects.

Management of Proceeds

Kesko will use a Green Register to track the allocation of net proceeds from Green Debt to eligible Green

[11] Vehicles with specific emissions less than 50g CO_2/km are eligible until 31 December 2025.

Projects. The purpose of the Green Register is to ensure that the net proceeds from Green Debt will only support the financing of Green Projects. The Green Register will form the basis for the impact and allocation reporting. Kesko intends to have Green Project allocation that exceeds the balance of net proceeds from its outstanding Green Debt. Should there be any deviations from this, Kesko will strive to allocate an amount equal to the net proceeds from Green Debt within 24 months.

If the total outstanding net proceeds from Green Debt cannot be immediately and fully allocated, or if an eligible Green Project is sold, proceeds will temporarily be placed in Kesko's general liquidity reserve and managed according to Kesko's financial policy, until reallocated to other eligible Green Projects. Temporary holdings will follow the exclusions criteria listed under "*– Use of Proceeds*" above.

Reporting

Kesko will annually until full allocation, and in the event of any material developments, provide investors with a report describing the allocation of proceeds and the environmental impact of the Green Projects (the "**Green Bond Report**").

Allocation reporting

The allocation reporting will include the following information:

- Nominal amount of Green Bonds outstanding.
- The aggregate size of Green Projects that have been funded by Green Bonds and the split between each project category.
- Distribution between new financing and refinancing.
- The amount of unallocated proceeds, if any.
- Share of the EU Taxonomy alignment of the projects financed

Impact reporting

The impact reporting aims to disclose the environmental impact of the Green Projects financed under the Green Finance Framework, based on Kesko's financing share of each Green Project, where feasible and subject to data availability. The impact assessment may be based on the impact indicators described in more detail in the Green Finance Framework. The allocation of net proceeds reported as a part of the Green Bond Report will be externally verified by an independent verifier appointed by Kesko as described under "*– External Review*" below.

External Review

Second Party Opinion

Sustainalytics has in May 2024 provided an independent Second Party Opinion on the Green Finance Framework verifying the credibility, impact and alignment of the Green Finance Framework with the Green Bond Principles 2021 published by ICMA and the Green Loan Principles 2023 published by the LMA/APLMA/LSTA. The Second-Party Opinion reflects Sustainalytics's independent opinion on the alignment of the Green Finance Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

Based on its review, Sustainalytics is confident that Kesko is well positioned to issue green bonds and that the Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023. Sustainalytics further considers that the eligible projects are expected to provide positive environmental impacts and that the Green Finance Framework is aligned with the overall sustainability strategy of Kesko and that the use of proceeds described in the Green Finance Framework will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Kesko has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Post-issuance review

An independent verifier appointed by Kesko will provide, on an annual basis until full allocation, a statement that an amount equal to the net proceeds from Green Debt has been allocated to eligible Green Projects. The verification will be at least at the level of limited assurance.

Available Documents

The Green Finance Framework and the Second Party Opinion is publicly available on Kesko's website (http://www.kesko.fi/green-finance), together with the post-issuance review and the Green Bond Report, once published.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information for the Group as at and for the six (6) months ended 30 June 2024, with comparative figures for the six (6) months ended 30 June 2023, and the financial year ended 31 December 2023, with comparative figures for the financial year ended 31 December 2022. The financial information presented below has been derived from the Issuer's unaudited half-year financial report 1-6/2024 and from the Issuer's audited financial statements and report by the Board of Directors for the financial year ended 31 December 2023 incorporated by reference into this Prospectus.

The Issuer's unaudited consolidated interim financial information and the audited consolidated financial statements have been prepared in accordance with the IFRS (see also "*Certain Matters – Presentation of Financial Information*"). The selected financial information provided herein should be read in conjunction with the Issuer's consolidated unaudited interim financial information for the six (6) months ended 30 June 2024 and the Issuer's audited consolidated financial statements for the financial year ended 31 December 2023 and 31 December 2022, incorporated by reference into this Prospectus.

Certain Key Figures Relevant for the Noteholders

The following table includes certain key figures that are relevant for the noteholders:

EUR million, unless otherwise indicated	***1–6/24***	***1–6/23***	***Financial year ended 31 December 2023***	***Financial year ended 31 December 2022***
	(unaudited)		*(audited, unless otherwise indicated)*	
Net sales	5,852.9	5,932.7	11,783.8	11,809.0
EBITDA	547.4	589.6	1,232.5[1]	1,307.7[1]
Operating profit	256.4	328.9	695.4	816.5
Operating profit, comparable	277.7	333.5	712.0	815.1
Operating margin, comparable, %	4.7	5.6	6.0[1]	6.9[1]
Interest-bearing net debt	2,885.4	2,632.0	2,559.8	2,104.2
Lease liabilities	2,038.1	2,002.4	1,997.9	1,920.1
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16, rolling 12 months	1.1	0.7	0.7	0.2
Cash flow from operating activities	421.6	312.2	1,049.5	915.2
Cash flow from investing activities	-396.7	-321.5	-590.2	-344.3
Cash flow from financing activities	117.7	14.0	-492.2	-604.7
Capital expenditure	457.4	393.0	678.9[1]	449.2[1]
Gearing, %	115.1	106.7	92.8[1]	76.7[1]
Equity ratio, %	29.9	31.5	35.8[1]	36.9[1]
Return on capital employed, comparable, %, rolling 12 months	11.8	15.1	13.4	16.9

1) Unaudited.

Definitions of Key Financial Indicators and Alternative Performance Measures

Operating profit, comparable	*Operating profit +/– items in operating profit affecting comparability*
Items in operating profit affecting comparability	*– gains on disposal + losses on disposal + impairment charges +/– structural arrangements*

Operating margin, comparable, %	$$\frac{\textit{Comparable operating profit}}{\textit{Net sales}} \times 100$$
EBITDA	*Operating profit + Depreciation and amortisation + Impairment charges*
Capital expenditure	*Includes investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares. Additions of right-of-use assets for leases in the consolidated statement of financial position are not capital expenditure. Redemption of a leased property (right-of-use asset) is reported as capital expenditure.*
Return on capital employed, comparable, %	$$\frac{\textit{Comparable operating profit x 100}}{\textit{(Non–current assets + Inventories + Receivables + Other current assets – Non–interest–bearing liabilities) on average for 12 months}}$$
Interest-bearing net debt	*Interest-bearing liabilities + Lease liabilities – Other current financial assets – Cash and cash equivalents*
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	*Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16*
Gearing, %	$$\frac{\textit{Interest-bearing net debt x 100}}{\textit{Shareholders' equity}}$$
Equity ratio, %	$$\frac{\textit{Shareholders' equity x 100}}{\textit{(Balance sheet total - Advances received)}}$$

Reasons for use

Operating profit, comparable	*Comparable operating profit is used to improve the comparability of operational performance between periods.*
Items in operating profit affecting comparability	*Exceptional transactions outside the ordinary course of business are treated as items affecting comparability. Gains and losses on the disposal of real estate, shares and business operations, impairments and significant restructurings are identified as items affecting comparability. Gains on disposals are presented in the income statement within other operating income, and losses on disposals within other operating expenses. Impairment charges and significant profit and loss items related to changes in lease agreements are presented in the income statement under depreciation, amortisation and impairment charges.*

Operating margin, comparable, %	*Comparable operating margin is one of Kesko's key long-term financial targets. It helps to improve the comparability of operational performance between periods.*
EBITDA	*EBITDA is used to provide a view of Kesko's operational performance and cash flow generation.*
Capital expenditure	*Capital expenditure is used to show Kesko's investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares.*
Return on capital employed, comparable, %	*Comparable return on capital employed is one of Kesko's key long-term financial targets. It is used to monitor the development of operational profitability and capital efficiency.*
Interest-bearing net debt	*Interest-bearing net debt is used as an indicator for measuring Kesko's net debt financing, including lease liabilities.*
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	*Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16 is one of Kesko's key long-term financial targets. It is used to indicate Kesko's leverage and its ability to service its debt.*
Gearing, %	*Gearing is used to provide a view of the level of the Group's indebtedness.*
Equity ratio, %	*Equity ratio is used to provide information on the financial leverage used by the Group to fund its assets.*

Reconciliation of Certain Alternative Performance Measures

The following tables set forth the reconciliation of certain Alternative Performance Measures as at and for the periods indicated:

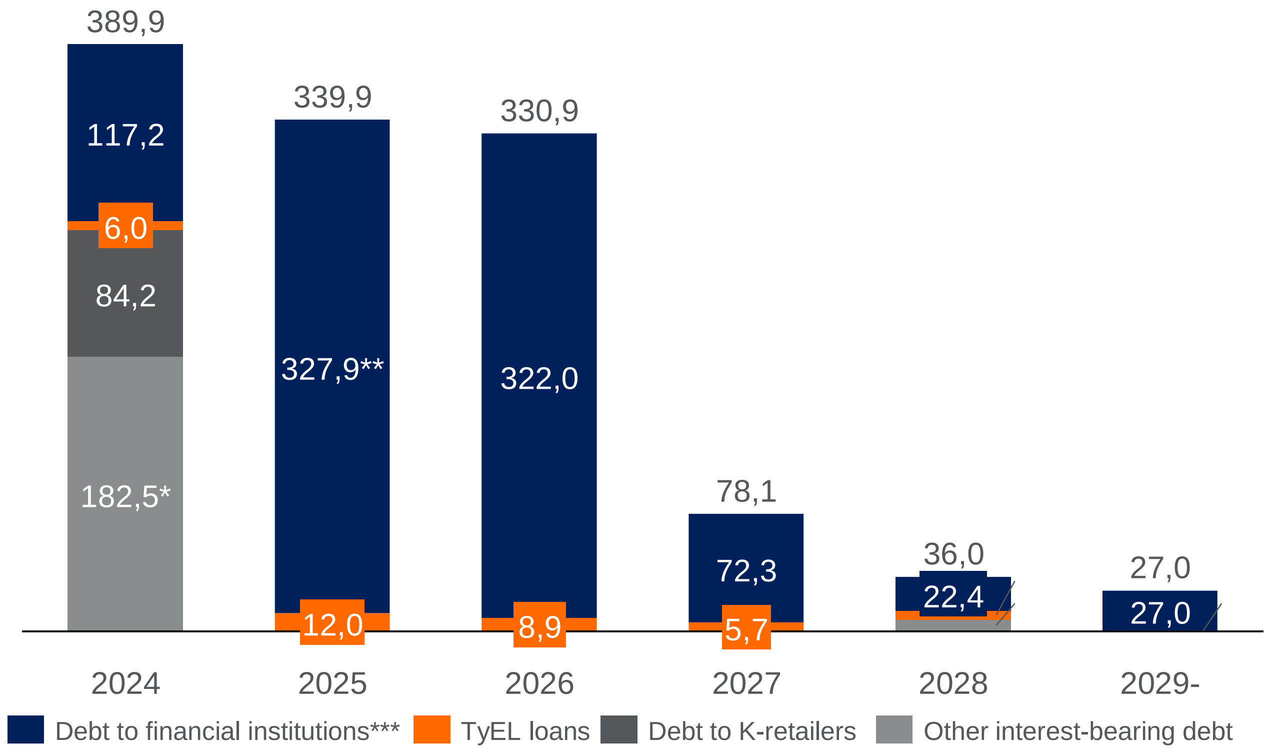
	1.1.-30.6.		**1.1.-31.12.**	
EUR million	**2024**	**2023**	**2023**	**2022**
	(unaudited)		*(audited, unless otherwise indicated)*	
Items affecting comparability				
Gains on disposal	1.5	0.4	0.4	0.0
Losses on disposal	-1.6	-1.0	-1.0	-0.1
Structural arrangements	-21.2	-4.0	-16.1	1.6
Items in operating profit affecting comparability	**-21.4**	**-4.6**	**-16.7**	**1.5**
Operating profit, comparable				
Operating profit	256.4	328.9	695.4	816.5
Net of				
Items in operating profit affecting comparability	-21.4	-4.6	-16.7	1.5
Operating profit, comparable	**277.7**	333.5	**712.0**	**815.1**
EBITDA				
Operating profit	256.4	328.9	695.4	816.5
Plus				

Depreciation and impairment charges	101.7	88.3	184.0	169.0
Depreciation and impairment charges for right-of-use assets	189.4	172.4	353.2	322.1
EBITDA	**547.4**	**589.6**	**1,232.5**[1]	**1,307.7**[1]
EBITDA excluding the impact of IFRS 16				
EBITDA	547.4	589.6	1,232.5[1]	1,307.7[1]
Net of				
Lease payments for right-of-use-assets	-231.6	-211.2	-430.7	-399.1
EBITDA excluding the impact of IFRS 16	**315.8**	**378.4**	**801.8**	**908.5**
Return on capital employed, comparable, %				
Operating profit, comparable	277.7	333.5	712.0	815.1
Capital employed, average	5,726.7	5,234.1	5,313.3	4,811.9
Return on capital employed, comparable, %	**9.7**	**12.7**	**13.4**	**16.9**
Equity ratio, %				
Shareholders' equity	2,507.8	2,467.6	2,758.4	2,742.2
Total assets	8,446.0	7,880.8	7,754.3	7,474.0
Net of				
Advances received	-47.7	-38.0	-56.7	-46.9
Equity ratio, %	**29.9**	**31.5**	**35.8**[1]	**36.9**[1]
Interest-bearing net debt excluding lease liabilities				
Interest-bearing liabilities and lease liabilities in the consolidated statement of financial position	3,239.8	2,903.0	2,787.0	2,418.3
Net of				
Lease liabilities	-2,038.1	-2,002.4	-1,997.9	-1,920.1
Other current financial assets	-	-21.2	-15.4	-68.6
Cash and cash equivalents	-354.4	-249.8	-211.9	-245.5
Interest-bearing net debt excluding lease liabilities	**847.3**	**629.6**	**561.9**	**184.1**
Interest-bearing net debt				
Interest-bearing liabilities and lease liabilities in the consolidated statement of financial position	3,239.8	2,903.0	2,787.0	2,418.3
Net of				
Other current financial assets	-	-21.2	-15.4	-68.6
Cash and cash equivalents	-354.4	-249.8	-211.9	-245.5
Interest-bearing net debt	**2,885.4**	**2,632.0**	**2,559.8**	**2,104.2**
Gearing, %				
Interest-bearing net debt	2,885.4	2,632.0	2,559.8	2,104.2
Shareholders' equity	2,507.8	2,467.6	2,758.4	2,742.2
Gearing, %	**115.1**	**106.7**	**92.8**[1]	**76.7**[1]

1) Unaudited.

Maturities of Financial Liabilities and Liquidity

As at 30 June 2024, Kesko's Interest-bearing liabilities were EUR 3,239.8 million (EUR 2,903.0 million as at 30 June 2023), of which EUR 2,038.1 were lease liabilities (EUR 2,002.4 million as at 30 June 2023). The following graph presents Kesko's maturities of financial liabilities in EUR millions as at 30 June 2024, excluding lease liabilities:



* Majority of the "Other interest-bearing debt" with maturities less than 12 months is Kesko's Commercial Paper Program (CPP).
** EUR 150 million of the loans are extendable by one year.
*** Term loans to Kesko represent the majority of the "Debt to financial institutions".

As at 30 June 2024, Kesko had EUR 300 million of undrawn committed credit facilities (the "**RCFs**"): (i) EUR 100 million of the RCFs mature in 2027 with the option to extend by one year twice, (ii) EUR 100 million of the RCFs mature in 2029 with the option to extend by one year, and (iii) EUR 100 million of the RCFs mature in 2029 with the option to extend by one year twice. In addition, the Group's uncommitted financial resources available contained commercial paper programmes denominated in euros totalling an equivalent of EUR 513 million.

As at 30 June 2024, Kesko's liquid assets were EUR 354.3 million, consisting of cash and cash equivalents and other current financial assets (as at 30 June 2023: cash and cash equivalents were EUR 249.8 million and other current financial assets were EUR 21.2 million).

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of the Issuer, the administration and management of the Company is divided between the shareholders, the Board of Directors and the President and CEO of Kesko Group. Kesko's Group Management Board assists the President and CEO in running Kesko's operations.

The highest decision-making power in Kesko is exercised by the Company's shareholders at the Company's General Meeting. The Annual General Meeting is convened by the Board of Directors. In addition, an Extraordinary General Meeting shall be held if the Board of Directors deems it necessary and/or if it is requested in writing by the Company's auditor or by shareholders representing no less than one tenth of all the shares issued by the Company.

The business address of the members of the Board of Directors, the President and CEO and the Group Management Board is Työpajankatu 12, FI-00580 Helsinki, Finland.

In addition to laws and regulations in force at the time in question, the rules and guidelines of Nasdaq Helsinki and the Company's Articles of Association, Kesko complies without exceptions with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association. Kesko annually prepares and issues a Corporate Governance Statement in accordance with the requirements for Corporate Governance reporting of the Finnish Corporate Governance Code.

Board of Directors

The duties and responsibilities of the Board of Directors of Kesko are defined in the Finnish Companies Act and other applicable legislation. The Board of Directors of Kesko has a general authority to decide and act in all matters not reserved for other corporate governance bodies by law or under the provisions of Kesko's Articles of Association. The Board of Directors is responsible for Kesko's administration and the due organisation of its operations and has a general task to organise and oversee Kesko's management.

According to the Issuer's Articles of Association, the Company's Board of Directors is responsible for company management and the appropriate organisation of operations. The Board of Directors is formed of at least five (5) but no more than eight (8) members. The term of the Board of Directors' members is one (1) year, so that the term begins at the close of the General Meeting electing the member and expires at the close of the next Annual General Meeting. The Board of Directors elects a Board Chair from among its members. The Board of Directors meets at the Board Chair's request. The Board has a quorum when more than a half (1/2) of its members are present. If the votes are evenly divided, the opinion with which the Board Chair agrees shall become the decision.

Kesko's Board of Directors is responsible for the Company's corporate governance and for the proper organisation of its operations as well as the Company's accounting and financial management controls. The Board of Directors has confirmed a written charter for the Board of Directors' duties, principles of operation, meeting practice and decision-making procedure. In accordance with the charter, the Board deals with and makes decisions on matters that are financially, operationally or fundamentally significant to the Group, such as: deciding on the Group's and divisions' strategies, confirming the Group's budget and forecast update, reviewing the Group's most significant risks and uncertainties, deciding on strategically or financially significant individual investments, acquisitions, divestments or arrangements, and commitments as well as confirming Kesko's values and approving Group policies.

The table below presents the members of the Company's Board of Directors as at the date of this Prospectus:

Name	Year of Birth	Position	Board member since
Esa Kiiskinen	1963	Chair	2009
Peter Fagernäs	1952	Deputy Chair	2018
Jannica Fagerholm	1961	Board Member	2016
Pauli Jaakola	1973	Board Member	2024

Piia Karhu	1976	Board Member	2018
Jussi Perälä	1970	Board Member	2021
Timo Ritakallio	1962	Board Member	2021

Esa Kiiskinen has been the Chairperson of the Company's Board of Directors since 2012, a member of the Board of Directors since 2009 and a member and the Chair of the Company's Remuneration Committee since 2012. In addition, Mr. Kiiskinen has served as Chair of the Board of Directors of Saija ja Esa Kiiskinen Oy since 1995 and as a K-food retailer since 1990. Mr. Kiiskinen is a Business College Graduate. He is a Finnish citizen.

Peter Fagernäs has been a member and Deputy Chair of the Company's Board of Directors and a member and Deputy Chair of the Company's Remuneration Committee since 2018. Mr. Fagernäs has served as Chair of the Board of Oy Hermitage Ab since 2003. Previously, Mr. Fagernäs has served as Chair of the Board of Taaleri Plc from 2007 to 2020, Chair of the Board of Hermitage & Co Oy from 2003 to 2023, member of the Board of Amanda Capital Plc from 2007 to 2011, member of the Board of Winpak Ltd from 2006 to 2011, Chair of the Board of Fortum Corporation from 2004 to 2009, Chair of the Board of Pohjola Group Plc from 2001 to 2003, CEO of Conventum Ltd from 1996 to 1999 and Chair of the Board from 1999 to 2002, a member of the management board of Merita Bank Ltd from 1995 to 1996, CEO of Prospectus Ltd from 1993 to 1995, and held various roles at Kansallis-Osake-Pankki from 1977 to 1993. Mr. Fagernäs holds a Master of Laws degree. He is a Finnish citizen.

Jannica Fagerholm has been a member of the Company's Board of Directors and a member and Chair of the Company's Audit Committee since 2016. Ms. Fagerholm has served as Vice Chair of the Board of Mandatum plc since 2023, member of the Board of Sampo plc since 2013, member of the Board of Solidium Oy since 2019, member of the Board of Kelonia Ab since 2010, member of the Supervisory Board of Veritas Pension Insurance from 2010 to 2022, member of the Board of The Society of Swedish Literature in Finland since 2015 and member of its Financial Board from 2001 to 2015, member of the Board of Eira Hospital Ltd since 2010 and Managing Director of Signe and Ane Gyllenberg Foundation since 2010. Previously, Ms. Fagerholm has served as member of the Board of Föreningen Stiftelser och Fonder (Säätiöt ja rahastot ry) from 2015 to 2021 and Chair of the Board from 2022 to 2023, member of the Board of Hanken School of Economics from 2008 to 2022 and Chair of the Board from 2019 to 2021, member of the Board of Teleste Corporation from 2013 to 2020, member of the Board of Aktia Abp from 2012 to 2013, member of the Board of Partiosäätiö foundation from 1997 to 2013, Managing Director of SEB Gyllenberg Private Bank from 1999 to 2010 and Country Director of Handelsbanken Liv Finland from 1998 to 1999. Ms. Fagerholm holds a Master of Science degree in Economics. She is a Finnish citizen.

Pauli Jaakola has been a member of the Company's Board of Directors since 2024. Mr. Jaakola has served as the Chair of the Board of K-Retailers' Association since 2024 and a member of the Board since 2019 as well as from 2012 to 2016, a member of Board of Directors of Finnish Grocery Trade Association since 2019, a member of Board of Directors of Vähittäiskaupan tilipalvelu VTP Oy since 2019, Chair of the Board of Foundation for Vocational Training in the Retail Trade since 2024 and a member of Board of Directors since 2023. In addition, Mr. Jaakola has been a K-food retailer since 2001. Previously, Mr. Jaakola has served as Chair of the Board of Directors of K-ruokakauppiasyhdistys ry from 2019 to 2024, Deputy Chair from 2012 to 2016, and a member from 2011 to 2012 and from 2016 to 2018 and a member of the Board of K-instituutti Oy from 2012 to 2016. Mr. Jaakola holds an executive MBA degree. He is a Finnish citizen.

Piia Karhu has been a member of the Company's Board of Directors and a member of the Company's Audit Committee since 2018. Ms. Karhu has served as President, Metals, of Metso since 2022 and a Senior Vice President of business development from 2020 to 2022. Previously, Ms. Karhu was Senior Vice President of customer experience and member of the Executive Board of Finnair Plc from 2016 to 2020 and held various other leadership positions at Finnair Plc between 2013 and 2016 and worked as a management consultant for 12 years at Ernst & Young and Capgemini Consulting. Ms. Karhu holds a Doctorate degree in Business Administration. She is a Finnish citizen.

Jussi Perälä has been a member of the Company's Board of Directors since 2021. Mr. Perälä is the CEO and Chair of the Board of J & M Perälä Oy and has been a K-rauta retailer since 1997. Previously, Mr. Perälä has served as Vice Chairman of the Board of K-Retailers' Association from 2016 to 2021 and as a member of the Board 2009 to 2014, a member of the Board of K-rautakauppiasyhdistys in 2008 and Vice Chair from 2009 to 2014, a member of Board of Vähittäiskaupan Takaus Oy from 2018 to 2021, and as Chair of the Board of

Vähittäiskaupan Tilipalvelu Oy from 2020 to 2021 and as a member of the Board from 2017 to 2020, a member of the Board of the Finnish Hardware Association from 2009 to 2011 and from 2016 to 2021, Chair of the Board of Rautia Chain in 2008 and a member of the Board from 2001 to 2007. Mr. Perälä is a Business College Graduate. He is a Finnish citizen.

Timo Ritakallio has been a member of the Company's Board of Directors, a member and Deputy Chair of the Audit Committee and a member of the Remuneration Committee since 2021. Mr. Ritakallio has served as the President and Group Chief Executive Officer of OP Financial Group since 2018, Chair of the Board of Finance Finland, FFI from 2020 to 2021, Deputy Chair of the Board since 2022, and a member of the Board from 2017 to 2019, a member of the Board of the Finnish Chamber of Commerce since 2019, serving as Chair of the Board of Directors since 2022, Chair of the Board of OP Corporate Bank plc since 2018 and Chair of the Board of Pohjola Insurance Ltd since 2018. Previously, Mr. Ritakallio has served as a member of the Board of the Confederation of Finnish Industries EK from 2020 to 2021, Chair of the Board of the Finnish Olympic Committee from 2016 to 2020, member of the Board of Outotec Oyj from 2011 to 2013 and Vice Chair of the Board from 2013 to 2019, President and CEO of Ilmarinen Mutual Pension Insurance Company from 2015 to 2018 and Deputy Chief Executive Officer from 2008 to 2014, a member of the Board of Technopolis Oyj from 2008 to 2015, a member of the Board of Nasdaq OMX Nordic Inc from 2003 to 2011, a member of the Board of SSH Communications Security Oyj from 2003 to 2009, Deputy Executive Officer and Vice Chairman of the Executive Committee of Pohjola Bank Group from 2006 to 2008, Deputy Chief Executive Officer and Member of the Executive Board of OKO Bank from 2001 to 2005, Executive Vice President and Member of the Executive Board of OKO Bank from 1997 to 2001, Managing Director of Opstock Securities Ltd from 1993 to 1997 and Managing Director of Uudenkaupungin Seudun Osuuspankki from 1991 to 1993. Mr. Ritakallio holds a Doctorate degree in Technology, Master of Laws degree and an MBA. He is a Finnish citizen.

Board Committees

General

Kesko's Board of Directors has established an Audit Committee and a Remuneration Committee to support the Board's work and prepare matters the Board is responsible for. Each Committee is composed of three (3) Board members. At the close of the Annual General meeting, the Board elects from among its members the Committee Chairs, Deputy Chairs and members. In the election of committee members, the independence and competence requirements for the committee in question are to be taken into account.

The Committees have no independent decision-making power. Instead, the Board makes decisions on matters based on the Committees' preparatory work. The Board has confirmed written charters for the Committees detailing the Committees' duties and operating principles. Each Committee Chair reports on the Committee's work at the Board meeting following the Committee's meeting. Minutes of the Committee meetings are submitted for the information of the Board members. The actions and working practices of the Committees are assessed annually in conjunction with the Board evaluation.

Audit Committee

According to the committee charter the Audit Committee monitors Kesko's financial position and funding, monitors and assesses Kesko's financial reporting system, including the process for financial statements reporting, and the effectiveness of Kesko's internal control, internal audit and risk management systems, approves the operating instructions for the Company's internal audit and annually assesses the need for changes, approves the annual audit plan, budget and resources and related material changes, and reviews reports submitted to the Committee, monitors the statutory auditing of the Company and the Group, discusses matters that emerge in connection with auditing and in relation to the Committee's duties with the Company's Auditor when necessary and otherwise handles contacts with the Auditor, reviews the Auditor's Report and possible audit minutes and reports presented by the Auditor to the Committee, monitors and evaluates the independence of the Company's Auditor and, in particular, the non-audit services provided to Kesko by the Auditor and its network audit companies, prepares the appointment of the Company's statutory Auditor and recommends an Auditor, monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary course of business and arm's-length terms, prepares a recommendation to the Board of Directors regarding the review of interim reports, the half year financial report, and the financial statements, reviews the Company's Corporate Governance Statement and non-financial report. In addition, the Audit Committee prepares and reviews other tasks given by the Board to the Committee.

The Board elected in its organisational meeting, held after the Annual General Meeting on 26 March 2024, Jannica Fagerholm as the Chair, Timo Ritakallio as the Deputy Chair and Piia Karhu as a member of the Audit Committee. All members of the Audit Committee are independent of the Company and of the Company's significant shareholder. In the election of the Audit Committee members, the competence requirements for Audit Committee members have been taken into account.

Remuneration Committee

According to the committee charter the Remuneration Committee prepares the Company's Remuneration Policy and Remuneration Report for Governing Bodies, presents the remuneration policy and report at the General Meeting and responds to questions related thereto, monitors the implementation of the remuneration policy presented to the General Meeting and ensures that the remuneration of the Company's governing bodies is conducted within the remuneration policy presented to the General Meeting, conducts preparatory work for the remuneration and other financial benefits for the Company's President and CEO and Deputy CEO and for their service contracts, conducts preparatory work for the remuneration and other financial benefits for Group Management Board members responsible for lines of business, conducts preparatory work pertaining to the appointment of a President and CEO, Deputy CEO, and Group Management Board members responsible for lines of business, and to identifying their potential successors, conducts preparatory and development work on various matters pertaining to remuneration schemes. In addition, the Remuneration Committee prepares and reviews other tasks given by the Board to the Committee.

The Board elected in its organisational meeting, held after the Annual General Meeting on 26 March 2024, Esa Kiiskinen as the Chair, Peter Fagernäs as the Deputy Chair and Timo Ritakallio as a member of the Remuneration Committee. All members of the Remuneration Committee are independent of the Company's significant shareholder and its majority is also independent of the Company. In the election of the Remuneration Committee members, the competence requirements for Remuneration Committee members have been taken into account.

Shareholders' Nomination Committee

Kesko's Annual General Meeting 2020 resolved to establish a Shareholders' Nomination Committee (the "**Nomination Committee**") and confirmed rules of procedure for the Nomination Committee. The Nomination Committee is a governing body for Kesko shareholders and has three members. Two members are appointed by Kesko's biggest shareholders, and the third member is the Chair of Kesko's Board of Directors. The right of nomination of members representing the shareholders belongs to those two shareholders whose share of votes conferred by all shares in Kesko is the largest according to the register of shareholders maintained by Euroclear Finland Ltd on 1 September preceding the Annual General Meeting. The term of office of the members of the Nomination Committee ends when new Nomination Committee members are appointed. The Nomination Committee members do not receive fees for their membership. Their travel expenses are reimbursed in accordance with the general travel rules of Kesko.

The main duty of the Nomination Committee is to ensure that the Board of Directors and its members have the expertise, knowhow and experience adequate for Kesko's needs, and to prepare reasoned proposals for this purpose to the General Meeting. The Nomination Committee is established for the time being, until decided otherwise by the General Meeting of Kesko.

President and CEO and the Group Management Board

The President and CEO's duty is to manage Kesko Group's operations in accordance with the instructions and orders issued by the Board of Directors and to report to the Board of Directors the developments in the Company's business operations and financial situation. The President and CEO is also responsible for organising the Company's day-to-day governance and for ensuring that Kesko's accounting complying with legislation and financial matters are being organised in a reliable manner. Kesko's President and CEO serves as Chair of the Group Management Board. The Board of Directors appoints and discharges the President and

CEO and supervises the operations of the CEO. The Board of Directors also decides on remuneration and other financial benefits of the President and CEO and other terms of the service contract.

The table below presents the members of Kesko's Group Management Board as at the time of this Prospectus:

Name	**Year of Birth**	**Position**	**Member of Group Management Board since**
Jorma Rauhala	1965	President and CEO	2013
Ari Akseli	1972	President, grocery trade	2017
Sami Kiiski	1976	President, building and technical trade	2023
Johanna Ali	1977	President, car trade division	2024
Anu Hämäläinen	1965	Executive Vice President, CFO	2024
Lasse Luukkainen	1978	Executive Vice President, Legal and Sustainability	2024
Matti Mettälä	1963	Executive Vice President, Human Resources	2012
Karoliina Partanen	1977	Executive Vice President, Communications	2020

Jorma Rauhala has served as Managing Director of Kesko Corporation and President and CEO of Kesko Group since 2024. Mr. Rauhala has been a member of the Group Management Board since 2013. Mr. Rauhala has served as Chair of the Board of the Finnish Commerce Federation since 2024, a member of the Board of the Confederation of Finnish Industries EK since 2024, and Chair of the Board of Haaga-Helia University of Applied Sciences Ltd since 2021. Previously, Mr. Rauhala has served as a member of the Board of the European DIY Retail Association (EDRA) from 2019 to 2024, President of Kesko's building and technical trade from 2017 to 2024, Deputy CEO of Kesko from 2017 to 2024 and held various leadership positions in Kesko between 2003 and 2017. In addition, Mr. Rauhala has served as Chair of the Board of the Finnish Grocery Trade Association in 2017 and from 2013 to 2014 and a member of the Board from 2013 to 2016 as well as a member of the Board of the Association of Finnish Advertisers from 2014 to 2017. Mr. Rauhala holds a Master of Science degree in Economics. He is a Finnish citizen.

Ari Akseli has served as President of Kesko's grocery trade division and member of the Group Management Board since 2017. Mr. Akseli has served as member of the Board of the Finnish Grocery Trade Association since 2019, Deputy Chair of the Board since 2023, Chair of the Board from 2021 to 2022 and from 2017 to 2018, member of the Supervisory Board of Varma Mutual Pension Insurance Company since 2021, member of the IGS Advisor Board since 2016. Previously, Mr. Akseli has served as Vice Chair of the Board of Ruokatieto from 2016 to 2019 and member of the Board from 2013 to 2015, a member of the AMS Advisor Board from 2013 to 2019, a member of the Executive Committee of the Association for Finnish Work from 2014 to 2019, Vice President for Commerce in Kesko's grocery trade from 2013 to 2017, President of Anttila Oy from 2010 to 2013 and President of K-citymarket Oy from 2008 to 2013. Mr. Akseli holds a Master of Science degree in Economics. He is a Finnish citizen.

Sami Kiiski has served as President of Kesko's building and technical trade since 2024 and has been a member of the Group Management Board since 2023. Mr. Kiiski has served as a member of the Board of the European DIY Retail Association (EDRA) since 2024. Previously, Mr. Kiiski has served as a member of the Board of Intersport International Corporation (IIC) from 2022 to 2024, a member of the Board of the Association of Automobile Industry in Finland from 2023 to 2024, a member of the Board of the Finnish Central Organisation for Motor Trades and Repairs (AKL) from 2023 to 2024, a member of the Board of the Fashion and Sports Commerce Association from 2020 to 2023, and member of the Board of the Sport Retail and Wholesale Association (UVT) from 2014 to 2019. In addition, Mr. Kiiski has served as President of Kesko's car trade division from 2023 to 2024, Director in charge of Kesko's leisure trade and CEO of Intersport Finland Oy from 2020 to 2023, CEO of Halti Oy from 2015 to 2020, Executive Vice President of Sultrade Oy from 2014 to 2015 and International Sales Director from 2009 to 2014, and head of leisure trade business at Solifer Group from 2007 to 2009. Mr. Kiiski holds a Master of Science degree in Economics. He is a Finnish citizen.

Johanna Ali has served as President of Kesko's car trade division and member of the Group Management Board since 2024. Ms. Ali has served as member of the Board of the Finnish Central Organisation for Motor Trades and Repairs (AKL) since 2024 and as Vice President of Audi Finland at K-Auto Oy since 2021. Previously, Ms. Ali has served as a Country Director at Forenom Oy from 2019 to 2021, a Commercial Director at LeasePlan Finland Oy from 2015 to 2019, an Operational Director at LeasePlan Finland Oy from 2009 to 2015, a Development and IT Manager at LeasePlan Finland Oy from 2007 to 2009, and a Business Controller at LeasePlan Finland Oy from 2003 to 2006 and an Auditor at PricewaterhouseCoopers Oy from 1999 to 2002. Ms. Ali holds a Master of Science degree in Economics and Business. She is a Finnish citizen.

Anu Hämäläinen has served as Executive Vice President and CFO of Kesko Corporation and member of the Group Management Board since 2024. Ms. Hämäläinen has served as a member of the Board of Valmet Corporation since 2022 and Chair of Valmet's Audit Committee since 2024. Previously, Ms. Hämäläinen has served as a member of the Board of Neles Corporation in 2020–2021, Vice Chair of the Board from 2021 to 2022, and Chair of the Audit Committee from 2020 to 2022, a member of the Board of Finnfund (Finnish Fund for Industrial Cooperation Ltd) from 2019 to 2024, a member of the Board of Outotec Oyj from 2019 to 2020 and Chair of the Audit and Risk Committee from 2019 to 2020, a member of the Board of Fingrid Oyj from 2016 to 2020 and Chair of the Audit Committee from 2016 to 2020, and a member of the Board of Glaston Corporation from 2012 to 2019. In addition, Ms. Hämäläinen has served as a Vice President of Group Finance and Treasury at Kesko Corporation from 2020 to 2024, a Vice President of Group Treasury and Financial Services at Wärtsilä Corporation from 2015 to 2020, a Vice President of Group Control at Wärtsilä Corporation from 2010 to 2015, a Director of Financial Accounting at Wärtsilä Corporation from 2008 to 2010, a Senior Vice President of Financial Administration at SRV Group Ltd from 2006 to 2008, a Senior Partner at Quorum Ltd from 2005 to 2006, an Administration Director at Conventum Ltd from 2001 to 2005, an Administration Director and Partner at Opstock Oy from 1999 to 2001, and held various treasury and finance roles at Wärtsilä from 1991 to 1999. Ms. Hämäläinen holds a Master of Science degree in Economics. She is a Finnish citizen.

Lasse Luukkainen has served as Executive Vice President of Legal and Sustainability at Kesko Corporation and member of the Group Management Board since 2024. Mr. Luukkainen has served as Chair of the Board of Directors of Davidsens Tømmerhandel A/S since 2024, Chair of the Board of Directors of UAB "Kesko Senukai Lithuania" since 2020, a member of the Board of Directors of Independent Retail Europe since 2020, a member of the Board of Directors of Vähittäiskaupan Takaus Oy since 2020, a member of the Legal Committee of the Confederation of Finnish Industries EK since 2020, and a member of the Legal Committee of the Finnish Commerce Federation since 2020. Previously, Mr. Luukkainen has served as a Senior Vice President and Group General Counsel at Kesko from 2020 to 2024, a Senior Corporate Counsel at Kesko from 2015 to 2019, a Corporate Counsel at Kesko from 2012 to 2015, and a Legal Counsel at Kesko from 2010 to 2011. Prior to joining Kesko, Mr. Luukkainen was an Associate at Castrén & Snellman Attorneys from 2005 to 2010. Mr. Luukkainen holds a Master of Laws degree. He is a Finnish citizen.

Matti Mettälä has served as Executive Vice President of Human Resources at Kesko Corporation since 2021 and been a member of the Group Management Board since 2012. Mr. Mettälä has served as a member of the Supervisory Board of the Employment Fund since 2018 and a member of the Board of the Foundation for Vocational Training in the Retail Trade since 2005. Previously, Mr. Mettälä has served as an Executive Vice President of Human Resources, Corporate Responsibility, and Regional Relations at Kesko from 2018 to 2021, a Senior Vice President of Human Resources at Kesko from 2015 to 2017, and a Senior Vice President of Human Resources and Stakeholder Relations at Kesko from 2012 to 2014. Prior to rejoining Kesko, he was the Managing Director of the K-retailers' Association from 2005 to 2012. Mr. Mettälä's earlier roles at Kesko included Vice President for Finance at Kesko Hardware and Builders' Supplies from 2002 to 2005, Development Director at Rautakesko Ltd from 2001 to 2002, Project Manager at the Builders' and Agricultural Supplies Division from 1999 to 2000, Vice President for the Rautia chain at Kesko Hardware and Builders' Supplies from 1998 to 1999, Retail Services Manager at the Builders' and Agricultural Supplies Division from 1996 to 1998, Retail Services Manager at Vähittäiskaupan Takaus Oy from 1994 to 1996, Credit Manager at Kesko Ltd's Credit Department from 1991 to 1992, and Legal Counsel at Kesko Ltd's Credit Department from 1990 to 1991. Mr. Mettälä holds a Master of Laws degree. He is a Finnish citizen.

Karoliina Partanen has served as Executive Vice President of Communications at Kesko Corporation since 2017 and has been a member of the Group Management Board since 2020. Previously, Ms. Partanen has served as a Vice President of Communications at Kesko grocery trade from 2015 to 2017, a Vice President of Global Brand and Marketing at Metso Corporation from 2013 to 2015, a Vice President of Marketing and

Communications at Metso Corporation from 2009 to 2013, a Communications Manager at Metso Corporation from 2005 to 2009 and a Communications Consultant at Pohjoisranta Burson-Marsteller Oy from 2000 to 2005. Ms. Partanen holds a Master of Political Science degree. She is a Finnish citizen.

Conflict of Interest

The Finnish Companies Act sets forth provisions regarding the conflicts of interest of the management of a Finnish company. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors is disqualified from the consideration of a matter pertaining to an agreement between himself or herself and the Company. A member of the Board of Directors shall likewise be disqualified from the consideration of a matter pertaining to an agreement between the Company and a third party, if he or she may thereby receive a material benefit, which may be in contradiction with the interests of the Company. What is stated above with regard to agreements is correspondingly applicable to any other legal act, legal proceeding or similar matter. This provision also applies to the President and CEO of the Company. Unless otherwise indicated below, there are no potential conflicts of interest between any duties to the Issuer or any Group entity of any member of the Board of Directors or the President and CEO and their private interests and/or other duties.

Entities controlled by Chair of the Board Esa Kiiskinen and members of the Board Pauli Jaakola and Jussi Perälä have chain agreements with Kesko.

Auditors

Pursuant to Article 6 of the Company's Articles of Association, the Company's auditor shall be an Authorised Public Accountants Organisation which shall designate an Authorised Public Accountant as the auditor with principal responsibility. The term of the auditor is the financial period during which the auditor is elected. The auditor's duties terminate at the close of the Annual General meeting following the auditor's election.

The consolidated financial statements as at and for the years ended 31 December 2023 and 31 December 2022 have been audited by Deloitte Oy, Authorised Public Accountants, and have been incorporated by reference into this Prospectus. Authorised Public Accountant Jukka Vattulainen acted as the principal auditor in the financial years ended 31 December 2023 and 31 December 2022. Jukka Vattulainen is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended). The business address of the principal auditor and Deloitte Oy is Itämerenkatu 25, FI-00180 Helsinki, Finland.

For the financial year 2024, the Company's Annual General Meeting held on 26 March 2024 elected Deloitte Oy, Authorised Public Accountants, as the Company's auditor. Jukka Vattulainen, Authorised Public Accountant, acts as the auditor with principal responsibility. The auditor's term will end upon the closing of the following Annual General Meeting in 2025.

SHARE CAPITAL AND OWNERSHIP STRUCTURE OF THE ISSUER

As at the date of this Prospectus, the Issuer has a registered share capital of EUR 197,282,584, and has issued 400,079,008 shares, of which 126,948,028 are series A shares and 273,130,980 are series B shares. According to the Articles of Association of the Issuer, each series A share entitles the holder to 10 votes and each series B share to 1 vote at the Company's General Meeting. Both share series give the same dividend rights. The series A shares and series B shares of Kesko Corporation have been listed on the Helsinki Stock Exchange. The Issuer is not aware of any controlling shareholders or of any events or arrangements the operation of which may affect the exercise of control in the Issuer.

The following table sets forth the five (5) largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Finland with their respective ownership and number of shares owned as at 31 August 2024:

Shareholder	Number of series A shares	Number of series B shares	Number of shares in total	Proportion of shares %	Proportion of votes %
K-retailers' Association	21,795,509	-	21,795,509	5.45	14.13
Ilmarinen Mutual Pension Insurance Company..................	13,760,000	-	13,760,000	3.44	8.92
Vähittäiskaupan Takaus Oy......	13,195,008	-	13,195,008	3.30	8.55
Elo Mutual Pension Insurance Company	405,725	5,652,000	6,057,725	1.51	0.63
Varma Mutual Pension Insurance Company..................	-	5,978,944	5,978,944	1.49	0.39
Others.......................................	77,791,786	261,500,036	339,291,822	84.81	67.38
Total	**126,948,028**	**273,130,980**	**400,079,008**	**100.00**	**100.00**

CERTAIN TAX CONSIDERATIONS IN FINLAND

The following is a general description that only addresses the Finnish tax treatment of income arising from the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Finland or elsewhere. This summary is based on the laws, regulations and tax authority guidance in force and effect in Finland on the date of this Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the below summary is of a general nature and does not constitute legal or tax advice and should not be understood as such. The below summary relates only to the position of persons who are the absolute beneficial owners of the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

Potential investors should be aware that the tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes.

Finnish Resident Individuals

Interest paid on the Notes to an individual (natural person) residing in Finland for tax purposes, or an undistributed estate of a deceased Finnish resident, is subject to an advance withholding tax (in Finnish: *ennakonpidätys*) in accordance with the Finnish Withholding Tax Act (1118/1996, as amended) (in Finnish: *ennakkoperintälaki*). The withholding obligation is with the Issuer or paying agent or other intermediary effecting payment that is resident in Finland or has a permanent establishment in Finland. Interest on the Notes is treated as capital income in the final taxation in accordance with the Finnish Income Tax Act (1535/1992, as amended) (in Finnish: *tuloverolaki*), assuming that the Notes do not belong to the business activities of the individual. The Finnish Act on Source Tax on Interest Income (1341/1990, as amended) (in Finnish: *laki korkotulon lähdeverosta*) is not applicable to the Notes.

The current capital income rate is 30 per cent, however, should the amount of the capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds the EUR 30,000 threshold. Notwithstanding the foregoing, tax withholdings will be made at the rate of 30 per cent.

If Notes are disposed of (or if the Notes are repaid or redeemed), any capital gain as well as accrued interest received (secondary market compensation, in Finnish: *jälkimarkkinahyvitys*) is taxed as capital income. The Issuer or paying agent or other intermediary resident in Finland or having a permanent establishment in Finland, must deduct an advance withholding tax from the secondary market compensation paid to an individual residing in Finland or an undistributed estate of a deceased Finnish resident. Capital gain is not subject to advance withholding tax. Capital losses are primarily deductible from capital gains arising in the same calendar year. Any capital losses that cannot be used to offset capital gains in the same calendar year can be used against other capital income in the same calendar year. Any remaining unused capital losses can be carried forward to be deducted from capital gains or other capital income in the five (5) subsequent calendar years.

If Notes are acquired in the secondary market, any accrued interest paid (secondary market compensation) is deductible from the capital income or, to the extent exceeding capital income, form earned income subject to the limitations of the Finnish Income Tax Act.

Finnish Corporate Entities

Payments made by or on behalf of the Issuer to corporates residents of Finland for tax purposes may be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Interest paid on the Notes and income arising from the disposal, repayment or redemption of the Notes are subject to final taxation as income of the recipient corporation either in accordance with the Finnish Business Income Tax Act (360/1968, as amended) (in Finnish: *laki elinkeinotulon verottamisesta*) or the Finnish Income

Tax Act, depending on the legal form of the recipient and the source of income the Notes belong to. As of tax year 2020, most Finnish corporate entities are taxed exclusively in accordance with the Business Income Tax Act. The current rate of corporate income tax is 20 per cent. Any gain or loss realised following a disposal of the Notes is taxable income or a tax-deductible loss for the relevant noteholder.

Non-Finnish Resident Noteholders

Payments made by or on behalf of the Issuer to persons that are non-residents of Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland may normally be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein. If the recipient fails to provide sufficient evidence on its non-resident investor status to the payer, tax may however be withheld from the payments.

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland are normally not subject to Finnish taxation on gains realised on the sale or redemption of the Notes.

Transfer Taxation

Any investment in or disposition of the Notes is not subject to Finnish transfer tax under the Finnish Transfer Tax Act (931/1996, as amended) (in Finnish: *varainsiirtoverolaki*).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference into this Prospectus. They have been published on the Issuer's website at https://www.kesko.fi/. The parts of the following documents that have not been incorporated by reference into this Prospectus are either not relevant for investors in the Notes or are covered elsewhere in this Prospectus.

Document	Information incorporated by reference
Half-year financial report for January-June 2024	Unaudited consolidated interim financial information for the six months ended 30 June 2024, including comparative figures for the six months ended 30 June 2023.
Annual Report 2023	Audited financial statements of the Issuer for the financial year ended 31 December 2023, the Report by the Board of Directors and the Auditors' Report (p.124-243).
Annual Report 2022	Audited financial statements of the Issuer for the financial year ended 31 December 2022, the Report by the Board of Directors and the Auditors' Report (p. 128-244).

DOCUMENTS ON DISPLAY

In addition to the documents incorporated by reference, the Issuer's Articles of Association are available for viewing on the Issuer's website at https://www.kesko.fi/en/investor/corporate-governance/articles-of-association/.

APPENDIX A – TERMS AND CONDITIONS OF THE NOTES

KESKO CORPORATION

EUR 300 MILLION 3.500 PER CENT GREEN NOTES DUE 2030

ISIN CODE: FI4000578224

The Board of Directors of Kesko Corporation (the "**Issuer**") has in its meeting on 17 September 2024 authorized the Issuer's certain management members to decide on the issue of senior unsecured notes (the "**Notes**") referred to in Paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended, Fi: *velkakirjalaki*). Based on the authorization, the Issuer has decided to issue the Notes on the terms and conditions specified below.

Danske Bank A/S and OP Corporate Bank plc will act as joint lead managers in connection with the offer and issue of the Notes (the "**Joint Lead Managers**").

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

Solely for the purposes of the product governance requirements set forth in directive 2014/65/EU as amended (the "**MIFID II**"), the target market assessment made by the Issuer for the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MIFID II; and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Issuer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

Important – EEA retail investors – The Notes are not PRIIPs for the purposes of Regulation ((EU) No 1286/2014) (the "**PRIIPs Regulation**") and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Notes.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

1. PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES

The maximum principal amount of the Notes is 300 million euros (EUR 300,000,000). The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Condition 19 (*Further Issues of Notes*).

The Notes will be issued in a dematerialized form in the CSD system maintained by Euroclear Finland Ltd ("**Euroclear Finland**") (the "**CSD System**"), address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland (or any system replacing or substituting the CSD System in accordance with the rules and decisions of Euroclear Finland) in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland. The Notes cannot be physically delivered.

The issue date of the Notes is 2 October, 2024 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of one hundred thousand euros (EUR 100,000). The principal amount of each book-entry unit (Fi: *arvo-osuuden yksikkökoko*) is one thousand euros (EUR 1,000). The aggregate number of the Notes is three hundred thousand (300,000) or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

OP Custody Ltd shall act as the issuer agent (Fi: *liikkeeseenlaskijan asiamies*) of the Notes referred to in the rules of Euroclear Finland (the "**Issuer Agent**") and as the paying agent of the Notes (the "**Paying Agent**").

2. SUBSCRIPTION OF THE NOTES

The subscription period shall commence and end on 25 September, 2024.

The Notes shall be offered for subscription to eligible counterparties, professional clients and retail clients within the meaning of the MIFID II.

Bids for subscription shall be submitted during regular business hours to (i) Danske Bank A/S c/o Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, FI-00075 DANSKE BANK, Finland, tel. + 358 10 546 2070; or (ii) OP Corporate Bank plc Gebhardinaukio 1, FI-00510 Helsinki, Finland, tel. +358 10 252 7970.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Subscriptions shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be created by Euroclear Finland and routed by the Issuer Agent to the book-entry securities system to be recorded to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for financing or refinancing eligible green projects or assets or otherwise in accordance with the Issuer's Green Finance Framework dated May 2024 (which is published on the website of the Issuer).

4. ISSUE PRICE

The issue price of the Notes is 99.317 per cent. of the nominal principal amount of the Notes.

5. INTEREST

5.1 Rate of Interest

The Notes bear fixed interest at the rate of 3.500 per cent per annum.

Interest on the Notes will be payable annually in arrears commencing on 2 February 2025 and thereafter annually on each 2 February (each an "**Interest Payment Date**") until the Notes have been repaid in full. Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date and each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date (each an "**Interest Period**"). There will be a short first coupon in respect of the period, from and including, the Issue Date to, but excluding, 2 February 2025. The last Interest Period ends on the earlier of the date when the Notes have been repaid in full and the Redemption Date.

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 or, in the case of a leap year, 366 (Actual / Actual ICMA).

6. REDEMPTION

6.1 Redemption at Maturity

The Notes shall be repaid in full at their nominal principal amount on 2 February 2030 (the "**Redemption Date**"), unless the Issuer has prepaid or redeemed the Notes in accordance with Condition 6.2 (*Voluntary Total Redemption*), Condition 6.3 (*Clean-up Call Option*), Condition 9 (*Change of Control*) or Condition 11 (*Events of Default*) below.

6.2 Voluntary Total Redemption

The Issuer may, at any time having given, not less than fifteen (15) nor more than sixty (60) calendar days' notice (an "**Optional Redemption Notice**") to the holders of the Notes (the "**Noteholders**") in accordance with Condition 14 (*Notices and Right to Information*), (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not part of the aggregate principal amount of the Notes issued on the relevant date (the "**Optional Redemption Date**") specified for redemption in the relevant Optional Redemption Notice at a redemption amount equal to:

(i) in the case of an Optional Redemption Date occurring before the date falling three (3) months prior to the Redemption Date, the Make-Whole Redemption Amount (as defined below); or

(ii) in the case of an Optional Redemption Date occurring on or after the date falling three (3) months prior to the Redemption Date, 100 per cent of their outstanding principal amount,

in each case together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date.

For the purpose of this Condition 6.2:

"**Make-Whole Redemption Amount**" shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and mean the sum of the then present values of (i) 100 per cent of the principal amount of the Notes redeemed and (ii) the remaining interest payments from and including the Optional Redemption Date to (but excluding) the date falling three (3) months prior to the Redemption Date discounted to the relevant Optional Redemption Date on an annual basis at the discount rate of 2.5 per cent.

The calculations and determinations related to the Make-Whole Redemption Amount made by the Issuer or any party on behalf of the Issuer shall (save for manifest error) be final and binding upon all Noteholders.

6.3 Clean-up Call Option

If at any time the nominal principal amount of the outstanding Notes is twenty-five (25) per cent or less of the aggregate nominal amount of the Notes issued at any time, the Issuer may, at its option, at any time, by giving not less than fifteen (15) nor more than forty-five (45) calendar days' irrevocable notice, which shall specify the date fixed for redemption, to the Issuer Agent and the Noteholders in accordance with Condition 14 (*Notices and Right to Information*), elect to redeem all of the outstanding Notes, in whole but not in part, at their nominal principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption.

7. STATUS AND SECURITY

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least pari passu with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

8. PAYMENTS

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

Should any Interest Payment Date, Prepayment Date (as defined in Condition 9 (*Change of Control*)) or Redemption Date fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the following Business Day. Any such postponement of the payment date shall not have an impact on the amount payable.

"**Business Day**" means for the purposes of these terms and conditions a day on which banks in Helsinki are open for general business and on which the real time gross settlement system operated by the Eurosystem (T2), or any successor system, is open and the CSD System is operative.

9. CHANGE OF CONTROL

If, after the Issue Date, any person or group of persons acting in concert (as defined below), other than the K-Retailers (as defined below) and the associations thereof, directly or indirectly, gains Control (as defined below) of the Issuer (such event a "**Change of Control Event**"), the Issuer shall promptly after becoming aware thereof notify the Noteholders of such Change of Control Event in accordance with Condition 14 (*Notices and Right to Information*).

Upon the occurrence of a Change of Control Event, the Issuer shall on the Prepayment Date (as defined below) prepay the outstanding nominal principal amount of, and the interest accrued but unpaid on, the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes to be prepaid accrues until the Prepayment Date (excluding the Prepayment Date).

"**acting in concert**" (Fi: *yksissä tuumin toimiminen*) means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate Control of the Issuer.

"**Control**" means either:

(a) acquiring or controlling, directly or indirectly, more than fifty (50) per cent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders); or

(b) capability to appoint or remove at least the majority of the members of the board of directors of the Issuer.

"**K-Retailers**" means persons who enter into long-term contractual agreements with the Issuer or its direct or indirect Subsidiary to operate retail stores.

"**Non-controlled Kesko Senukai**" means UAB Kesko Senukai, for as long as it is not, directly or indirectly, controlled by the Issuer.

"**Prepayment Date**" means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 9.

"**Subsidiary**" means for the purposes of these terms and conditions, a subsidiary within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, Fi: *kirjanpitolaki*), in each case excluding Non-controlled Kesko Senukai.

10. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries (as defined in Condition 9 (*Change of Control*)) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that are capable of being listed on a stock exchange or subject to trading in a regulated market or multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes, bonds or other similar debt securities), unless the granting of such security interest is required under Finnish law or other law governing such notes, bonds or other debt securities, or unless prior to or simultaneously therewith the Issuer's obligations under the Notes either (a) are secured equally and ratably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Condition 13 (*Noteholders' Meeting and Procedure in Writing*)).

11. EVENTS OF DEFAULT

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice by the Issuer and on the specified early repayment date. Interest on such Note accrues until the early repayment date (excluding the early repayment date). The Issuer shall notify the Noteholders of any Event of Default (and the steps, if any, taken to remedy it) in accordance with Condition 14 (*Notices and Right to Information*) promptly upon becoming aware of its occurrence.

Each of the following events shall constitute an event of default (each an "**Event of Default**"):

(a) **Non-Payment**: any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 15 (*Force Majeure*);

(b) **Cross-default**: any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of fifty million euros (EUR 50,000,000) or its equivalent in any other currency (i) is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), (ii) if any such Indebtedness is not paid when due nor within any originally applicable grace period, if any, or (iii) if any security given by the Issuer or any of its Material Subsidiaries for any such Indebtedness becomes enforceable by reason of an event of default.

Notwithstanding anything above in this Condition 11, a Noteholder shall not be entitled to demand repayment under this paragraph (b) and the Issuer shall have no obligation to repay if (i) an event of default referred to above in this paragraph (b) has been remedied or waived or (ii) if the Issuer or any of its Material Subsidiaries has bona fide disputed the existence of the occurrence of an event of default referred to above in this paragraph (b) in the relevant court or in arbitration within forty-five (45) calendar days of the date when the Issuer or its Material Subsidiary became aware of such alleged event of default as long as such dispute has not been finally and adversely adjudicated against the Issuer without any appeal period;

(c) **Negative Pledge**: the Issuer does not comply with its obligations under Condition 10 (*Negative Pledge*);

(d) **Cessation of Business**: the Issuer ceases to carry on its current business in its entirety;

(e) **Winding-up**: an order is made or an effective resolution is passed for the winding-up (Fi: *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (Fi: *perusteeton*) or vexatious (Fi: *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis; or

(f) **Insolvency**: (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors other than the Noteholders in their capacity as such with a view to rescheduling any of its Indebtedness; or (iii) an application is filed for the Issuer or any of its Material Subsidiaries becoming subject to bankruptcy (Fi: *konkurssi*) or re-organization proceedings (Fi: *yrityssaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) calendar days.

"**Group**" means the Issuer and its Subsidiaries from time to time.

"**Indebtedness**" means, for the purposes of these terms and conditions, interest-bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries.

"**Material Subsidiary**" means, for the purposes of these terms and conditions, at any time, any Subsidiary of the Issuer:

(a) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten (10) per cent of the consolidated net sales or the consolidated total assets of the Group (as defined below) taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated audited financial statements of the Issuer; or

(b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a Subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

12. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision or authority of Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to Noteholders in respect of such withholding or deduction.

13. NOTEHOLDERS' MEETING AND PROCEDURE IN WRITING

(a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of Euroclear Finland.

(b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 14 (*Notices and Right to Information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

(c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5^{th}) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 14 (*Notices and Right to Information*), or proxies authorized by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

(d) A Noteholders' Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer. At the Issuer's discretion, a Noteholder's Meeting may also be held (or participation to a physical meeting enabled) by telecommunications or other electronical or technical means.

(e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if one (1) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

(f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders' Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders' Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer. The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if one (1) or more Noteholders holding in aggregate at least ten (10) per cent of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.

(g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

(h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 13(c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.

(i) Subject to Condition 13(j) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.

(j) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

  (i) to amend these terms and conditions of the Notes; and

  (ii) to grant a temporary waiver on these terms and conditions of the Notes.

  However, consent of at least seventy-five (75) per cent of the amount of the votes cast in a Noteholders' Meeting or a Procedure in Writing is required to:

  (iii) decrease the principal amount of or interest on the Notes;

  (iv) extend the maturity of the Notes;

  (v) amend the requirements for the constitution of a quorum at a Noteholders' Meeting or Procedure in Writing; or

(vi) amend the majority requirements of the Noteholders' Meeting or Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

(k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 13(i) or Condition 13(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by Euroclear Finland in accordance with Condition 14 (*Notices and Right to Information*) on the date when such requisite majority is reached.

(l) A representative of the Issuer and a person authorized to act for the Issuer may attend and speak at a Noteholders' Meeting.

(m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

(n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

14. NOTICES AND RIGHT TO INFORMATION

Noteholders shall be advised of matters relating to the Notes by (i) a notice published on the official website of the Issuer, (ii) a notice published in Helsingin Sanomat or any other major Finnish daily newspaper selected by the Issuer and/or (iii) with a stock exchange or investor news release. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Condition 14.

Alternatively, the Issuer may deliver notices on the Notes in writing directly to the Noteholders at the address appearing on the list of the Noteholders provided by Euroclear Finland in accordance with the below paragraph (or e.g. through Euroclear Finland's book-entry system or account operators of the book-entry system). Any such notice shall be deemed to have been received by the Noteholders on the third (3^{rd}) Business Day following dispatch.

Notwithstanding any secrecy obligation, the Issuer and the Issuer Agent shall, subject to the rules of Euroclear Finland and applicable laws, be entitled to obtain information on the Noteholders from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer. Furthermore, the Issuer and the Issuer Agent shall, subject to the rules of Euroclear Finland and applicable laws, be entitled to obtain from Euroclear Finland a list of the Noteholders, provided that it is technically possible for Euroclear Finland to maintain such list. Each Noteholder shall be considered to have given its consent to actions described above by subscribing or purchasing a Note.

Address for notices to the Issuer is as follows:

Kesko Corporation

Työpajankatu 12
FI-00580 Helsinki, Finland Tel.: +358 10 5311
E-mail: IR@kesko.fi

15. FORCE MAJEURE

The Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

(a) action of any authorities, war or threat of war, rebellion or civil unrest;

(b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;

(c) any interruption of or delay in any functions or activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

(e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent.

16. PRESCRIPTION

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by such Noteholder and the Issuer shall be permanently free from such payment.

17. LISTING

Following the issuance of the Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd and the Issuer shall maintain the Notes to be listed thereon as long as any Note is outstanding.

18. PURCHASES

The Issuer may at any time purchase Notes in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject only to restrictions arising from mandatory securities laws.

The Issuer shall be entitled to cancel, dispose of or hold the Notes purchased in accordance with the first paragraph of this Condition 18.

19. FURTHER ISSUES OF NOTES

The Issuer may from time to time, without the consent of or notice to the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 19 shall not limit the Issuer’s right to issue any other notes.

20. INFORMATION

Copies of the documents relating to the Notes shall be available for inspection during regular office hours at the office of (i) the Issuer, Työpajankatu 12, FI-00580 Helsinki, Finland; (ii); and Danske Bank A/S c/o Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, FI-00075 DANSKE BANK, Finland, and OP Corporate Bank plc, Gebhardinaukio 1, FI-00510 Helsinki, Finland.

21. APPLICABLE LAW AND JURISDICTION

The Notes are governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (Fi: *Helsingin käräjäoikeus*).

ISSUER

Kesko Corporation
Työpajankatu 12
FI-00580 Helsinki
Finland

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